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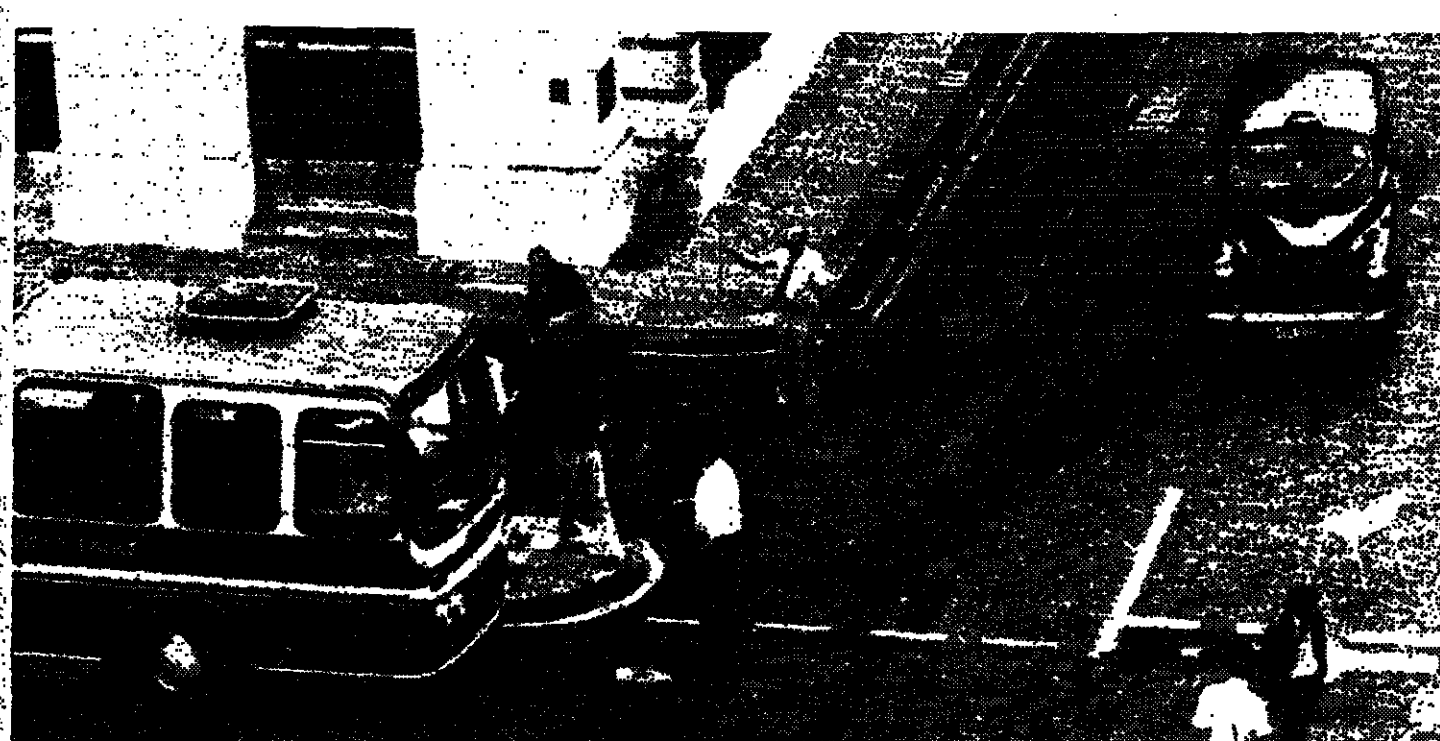
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Established 1887



Bus attacked by Arab terrorists in London shows effects of submachine-gun fire and grenade explosions yesterday. Front tire is flat and front side window of driver's cab was shattered. The bus was to shuttle El Al airline employees to Heathrow.

Radical Faction Claims Responsibility

Arabs Attack El Al Bus in London, Kill 1

LONDON, Aug. 20 (AP) — Arab terrorists firing submachine guns and throwing grenades attacked an Israeli El Al airline bus carrying cabin crew outside London's Europa Hotel today, killing a stewardess and wounding nine persons, Scotland Yard reported.

One terrorist was killed when a grenade exploded in his face during a shootout with El Al security men, Scotland Yard said. Police theorized that the terrorist was shot before he could throw the grenade.

Three detectives arrested another man running down a street near the hotel. He was handcuffed and dragged away.

Police said they also were hunting three men believed to have been involved in the attack, the spokesman reported.

Group Claims Attack

A radical guerrilla faction, the Popular Front for the Liberation of Palestine-Special Operations Branch, claimed responsibility for the attack, United Press International reported.

[The group, which also claimed responsibility for last year's Lufthansa hijack to Mogadishu, Somalia, said "Orders were issued to members of the Maryot Zuhair Akasha commando unit to strike a group of Israeli pilots working for the Israeli military complex and in El Al in London."

[Zuhair Akasha, who called himself "Capt. Mahmoud," was the leader of the commandos who hijacked the Lufthansa airliner Oct. 13. He was killed when West German guards rushed the plane Oct. 18.

[This operation is in line with our aim of pursuing the armed struggle, which means hitting at the institutions, forces and elements of the Zionist enemy," the statement said.

[The commando said the operation had been code-named "Tal Zastar," after the Palestinian refugee camp overrun at the end of the Lebanese civil war in 1976.]

An Israeli Embassy spokesman said that it was the first attack launched against Israelis in London.

Witnesses, many of them out for a Sunday stroll, said they saw several armed men during the two-minute attack.

No Passengers Hurt

El Al's London office said that four of the wounded were airline employees and that the others apparently were either hotel guests or passers-by. The airline said that no airline passengers were involved.

Cmdr. Jim Nevill, head of Scotland Yard's anti-terrorist squad, said that six of the wounded were in critical condition.

He said that at least two terrorists, possibly backed up by three more, attacked about 1:30 p.m. when the bus, carrying about 20 El Al stewards and stewardesses, pulled up outside the luxury hotel where El Al crews usually stay during London changeovers. The hotel is near the U.S. Embassy in Grosvenor Square.

All the airline personnel were from an El Al jumbo jet, flight 16 from New York to Tel Aviv, which changed crews at London's Heathrow Airport.

The terrorists opened up with long bursts of fire at the bus and lobbed at least three grenades. David Faulds, the doorman at an apartment building across the street, said the stewardess who was killed was shot near the bus.

'Cool' Terrorist

Jim Murray, manager of the nearby Running Horse Pub, said that one of the terrorists pulled grenades from a sack and lobbed them at the bus. "He was just taking the stuff out of the bag and throwing it," he said. "God, but he was cool. He even did up his haversack before."

(Continued on Page 2, Col. 6)

Karpov Takes 3-1 Lead in Chess Match

BAGUIO, Philippines, Aug. 20 (AP) — Champion Anatoly Karpov of the Soviet Union stunned challenger Viktor Korchnoi with victories today in the 13th and 14th games of their world chess championship.

The victories by Mr. Karpov, 27, took less than three hours of playing time and gave him a 3-1 advantage in the series. The first player to win six games will receive the title and \$350,000 in prize money.

The loser gets \$200,000. Drawn games do not count in the scoring.

Mr. Karpov clinched the first victory of the day with a reversal over his rival when they resumed play in their 13th game. Mr. Korchnoi, 47, a Soviet defector, had been given a slight edge to win when play was adjourned Thursday.

But the Mr. Karpov's defense turned the game in his favor when Mr. Korchnoi committed a serious blunder on the 56th move as he tried to beat the time limit.

When Mr. Korchnoi's queen was momentarily trapped on the king's rook side, Mr. Karpov began a relentless attack. The challenger resigned in 62 moves.

After completing the first adjourned game in 2 hours and 10 minutes, the two players returned to the stage after a 30-minute break to continue the 14th game, which was adjourned yesterday. Only nine moves and 45 minutes later, Mr. Karpov pushed his pawn to king 6 for a check.

Warns U.S. Should Not Submit Plan

Begin to Propose Partial Mideast Pact

JERUSALEM, Aug. 20 (AP) — Prime Minister Menachem Begin today reiterated his interest in a partial, permanent agreement with Egypt. Mr. Begin said he has a concrete project for such a pact to be discussed at the summit with Egyptian President Anwar Sadat and President Carter next month at Camp David in Maryland.

He also warned against the submission of a U.S. peace plan at the Israeli-Egyptian summit meeting that begins Sept. 5. He said it is dangerous to regard the conference as a failure.

In an interview with the government-controlled Arabic-language daily Al Anba, Mr. Begin said, "I warn against the submission of a plan by the United States since she is not a party to the conflict, which should be resolved only by the involved parties. One must be wary of the view that the Camp David talks will be a failure."

Israel's Cabinet met to discuss the positions that Mr. Begin will carry to the summit, and Mr. Begin said afterward that final decisions would be taken next Sunday on Israel's strategy and the makeup of the Israeli delegation.

Egypt Drafting Suggestions

CAIRO, Aug. 20 (UPI) — Egyptian officials are putting together suggestions for Israeli withdrawal from occupied territories based on the Egyptian peace proposal that Israel had rejected before the Leeds Castle meeting last month. Al Anba newspaper reported today.

The suggestions cover Israeli withdrawal from territories occupied after the 1967 war, an overall settlement of the Middle East problem and security guarantees according to the Egyptian peace proposal, it said.

The proposal, discussed during the Leeds meeting among Egyptian Foreign Minister Mohammed Ibrahim Kamel, Israeli Foreign Minister Moshe Dayan and U.S. Secretary of State Cyrus Vance, called for Israeli withdrawal from the West Bank and Gaza, and from East Jerusalem. It also called for the Palestinians' right to determine their future after a five-year transitional period, during which the West Bank would be administered by Jordan and the Gaza strip would be administered by Egypt.

The newspaper said that Mr. Sadat will meet first with French President Valéry Giscard d'Estaing on Sept. 4.

Exiled Czechs In Vienna Hold Demonstrations

VIENNA, Aug. 20 (UPI) — Austrian students and exiled Czech dissidents held peaceful demonstrations today on the eve of the 10th anniversary of Czechoslovakia's occupation by Soviet troops.

They recalled events of Aug. 21, 1968, when military units of the Warsaw Pact countries invaded Czechoslovakia in the wee hours of the morning. The troops came to crush "Communism with a human face" started by reform party leader Alexander Dubcek, who has been stripped of his party membership and lives as a forestry worker near his hometown Bratislava.

The Vienna demonstrations centered around St. Stephen's cathedral in the heart of town and included a peaceful march to the Czechoslovak Erian students were joined by exiled Czechoslovak dissidents and signers of the Charter 77 human rights document who recently came here to avoid persecution in their home country.

Dissident sources said that some 60 Czechoslovak dissident families have settled in Austria in the past few years after the Austrian government had agreed to accept all those who suffer persecution for political reasons in Czechoslovakia.

Arab Big Spenders Now Looking At U.S.

By Ed Blanche

LONDON, Aug. 20 (AP) — Arabs have been buying everything in sight in Britain and Western Europe in recent years. But now their eyes are on the United States.

"I'm afraid the boom days in Britain are over," said Abdul Ghani al-Dall, economic adviser to the Arab and International Bank for Investment. "Arab investment will continue in Britain on a smaller scale because changes in the British economy have not been as favorable from our point of view as they were a few years ago."

He explained: "America is now experiencing the kind of conditions that Britain did — depressed prices and a depreciated currency."

Britain, made attractive to Arab investors because of the economic problems caused when Arab producers quadrupled the price of oil after the 1973 Middle East war, got a large share of the wealth that flooded into the Arab world. The British Tourist Authority says that at least 400,000 Arabs came to London last year and spent an average of \$2,740 each, displacing Americans as the biggest spenders.

There are an estimated one million Arabs living, working or playing in Europe and at least a

dozen Arabic-language papers have been started for them.

Thousands headed for Europe on vacations when Lebanon, the traditional Arabian playground, became a war zone in 1975.

The Arabs regularly descend on British stores, buying up whole racks of clothes and underwear by the gross, and spending unbelievable sums on jewelry, candy, furniture and baths.

British newspapers have reported that some have lost \$1 million a night in betting spreads at London casinos.

Paris and Geneva also have become grounds for the high-rolling oil sheikhs and their retinues. Now, Arabs say, the United States and West Germany appear to be heading for a petrodollar boom.

London has been the focal point of the Arab invasion, although it is difficult to measure the true scale of the Arabs' financial stake in British commerce because they generally keep their holdings below 5 percent, the level above which they must publicly declare themselves.

The Kuwaiti Investment Office, an agency of Kuwait's Finance Ministry, announced last year it has invested \$120 million (\$228 million) in blue-chip concerns, mainly prestigious financial institutions.

These include 5.8 percent of the Bank of Scotland, worth \$4.4 million (\$8.36 million), 5.8 percent of the Guardian Royal Exchange Association, worth \$13.8 million (\$26.2 million) and 6.2 percent of Legal and General Assurance, worth \$13 million (\$24.7 million).

But the \$120 million figure, financial experts stressed, is probably only a fraction of the Kuwaiti investment and surely only a small fraction of the overall Arab stake in British companies.

The biggest visible impact, however, has been in real estate. At least \$950 million has been put into British companies and the buying of prestige property — castles, royal homes and country estates. Among the Arabs' publicly acknowledged acquisitions:

In 1972, Saudi Arabian and Gulf interests bought the famed Dorchester Hotel, home-away-from-home for celebrities, for \$9 million (then worth \$16.2 million).

Sheikh Sabah al-Saleh al-Sabah of Kuwait bought St. Martin's Property Corp., one of Britain's biggest landlords, for \$107 million (\$192.6 million).

Saudi Arabian tycoon Akram Ojeh paid \$15 million for the laid-up liner France, once the pride of the French merchant fleet.

The Emir of Qatar bought a summer estate for an undisclosed amount in Geneva's Versoix lakeside suburb. He feeds his falcons raw mutton on the immaculate lawns.

Most Britons have welcomed the Arab money, and some, the Arabs say, have not been averse to taking them for a ride.

British government sources say, for example, that the Arabs have been spending up to \$50 million a year on doctors in London's elite Harley Street and swank private hospitals, but that prices are now causing them to look elsewhere for health care.

The Kuwaiti government, for instance, says it spent \$7.6 million on medical care for its nationals here in 1976. But, Arabs claim, the boom has sent the fees charged by British doctors and hospitals sky high and made many Arabs feel they are being cheated.

London's Wellington Hospital, the most expensive in Britain and run by the Humana group of Kentucky, last December raised the price of a single room to \$115 (\$218.50) a day — a 20-percent increase.

"We think that's far too expensive — even for us," said Libyan health attaché Abdussayed Sumu.

Juma Bilal of the United Arab

Emirates Embassy said that an Arab was charged \$10,000 (\$19,700) for dental work last year, far in excess of normal fees.

"We're now directing our people to Germany, Switzerland and Yugoslavia," an Arab diplomat reported. The Germans especially are picking up a lot of business that used to come to London.

Kuwaiti Complaints

Anyone with anything to sell automatically doubles his price when he sees an Arab coming, complained a disgruntled Kuwaiti who has lived here for years.

On the other hand, the Arabs' ostentatious display of wealth has also caused British resentment.

"The Englishman's home has become the Arab's castle," lamented Nicholas Ridley, a Conservative Party legislator, commenting on the Arab-induced rise in real-estate prices.

Residents of London's fashionable Mayfair and Knightsbridge districts complain that Arab clans who have moved in have lowered the tone of the areas.

Sunday Observer columnist Michael Davie commented: "The idea was supposed to be that we went to the Middle East and disrupted their ancient traditions and culture; not the other way round."

accused the Chinese press of sowing in Romania "hostility to the Soviet people." It was the first public Soviet comment on Mr. Hua's trip.

The dispatch reported Chinese press coverage of the visit and said that Peking newspapers were presenting the line taken by Mr. Hua in his talks with Romanian President Nicolae Ceausescu as "having above all an anti-Soviet tendency."

Tass also accused the Chinese press of crudely distorting the history of Soviet-Romanian relations.

Alerts Newsman

At the shipyards, which currently supply 45 percent of the Romanian merchant fleet, Mr. Hua asked workers questions about their jobs and asked and asked about their achievements.

He chatted graciously with newspapermen.

(Continued on Page 2, Col. 3)

Floods, Cholera Hit India States; Pakistan Toll 47

NEW DELHI, Aug. 20 (AP) — Monsoon flooding invaded numerous low-lying communities in four Indian states and a cholera epidemic broke out in a flood-stricken district in the eastern states of India this weekend, the United News of India reported today.

Meanwhile, in Karachi, Pakistan, rescue workers found 18 more bodies today, raising the flood toll there to 47.

UNH said 25 persons died from cholera in India's Kathihar district, about 335 kilometers north of Calcutta. Authorities have placed the district under quarantine, it added.

Official sources in Patna, the capital of Bihar, said more than 8 million persons have been affected by the floods. At least 75 persons have drowned in the state since monsoon rains began in June.

The unofficial death toll for the entire nation is believed to have topped 500 this weekend, with 37 drownings reported in Himachal Pradesh and 15 in Uttar Pradesh.

Islamic Extremists Blamed

377 Die as Iran Arsonists Set Fire to Movie Theater

From Wire Dispatches

TEHRAN, Aug. 20 — The Iranian government today blamed Islamic extremists for setting fire last night to a movie theater in Abadan, in the Iranian oil fields, killing 377 persons.

A government spokesman said it was the sixth movie theater to be set afire since Aug. 8, the beginning of Ramadan, a period of fasting when Islamic groups urge people not to attend films or eat in restaurants.

Reports said that at least 387 persons, mostly youths, were in the Rex Cinema watching a local production called "The Deer." They said that the arsonists poured gasoline around the building and ignited it.

The government accused Islamic Marxists of setting the fire but did not say how many persons were thought to have been involved.

The communiqué said that four survivors suffered first-degree burns and six were slightly injured.

"The air was torn apart by shrieks of people wanting to escape the fire," witnesses reported. "It seemed there was little that could be done to save them."

Government Discussions

The government was reported to be discussing several measures to counter the terrorism in the country.

Meanwhile, the opposition came under sharp government attack when Parliament met today to discuss an official request for approval of the martial law imposed on the central Iranian city of Isfahan nine

After '53 Exile

Shah Marks Jubilee Of Return to Power

By William Branigin

TEHRAN, Aug. 20 (WP) — The Shah of Iran yesterday celebrated the 25th anniversary of his return to power in a CIA-backed coup amid signs of growing dissatisfaction with his leadership and the present economic state of the country.

Iranian soldiers paraded in the capital, and the government organized pro-shah rallies in most major cities to mark the 25th year since the return of Shah Mohammed Reza Pahlavi from a brief exile abroad after the late Premier Mohammed Mossadegh tried to strip him of power.

The parades here drew crowds of mildly curious onlookers, but public enthusiasm for the display was visibly lacking. There was virtually no applause and the generally listless spectators did not join in the troops' shouts of "Javid Shah" (long live the shah). No incidents of opposition violence were reported.

The celebration occurs at a time when the shah is facing his most serious challenge since August, 1953, when he was forced to flee to Rome. According to Princess Soraya, his wife then, he was contemplating living on a farm in the United States.

But in his fourth day of exile, turbulent pro-shah demonstrations in

family, said that the victim suddenly saw "the four walls of fire rise all around them and then the flames spread quickly."

The speed of the operation by the arsonists indicated that it was the work of professionals, the witness said.

There were unconfirmed reports of the arrests of several people, including some cinema employees. The Ettelaat newspaper quoted police as saying that the doorkeeper of the cinema was arrested in a drunken state after the fire.

Radio Iran today stopped its music programs and reported national mourning. "Even an enemy of 1,000 years would not have done what the arsonists did to these innocent 377," it said.

In Shiraz, halfway between Abadan and Tehran, arsonists struck again today, setting fire to a cinema and a restaurant. The cinema, in the central area of the city, was destroyed. A theater in Tabriz also was reported burned last night. No one was reported killed in the two attacks.

More than 100 persons have been killed in riots and clashes with police during the last seven months in Iran. The government says that the disturbances were started by conservative Muslims protesting reforms by the shah.

The conservatives contend that the reforms, which include the redistribution of church lands and greater freedom for women, violate Islamic law. The Muslims have demanded that the government abandon the reforms and close liquor stores and movie houses.

A government spokesman said that the shah condemned the action and sent his condolences to the relatives of the victims.

The spokesman said that more than 2,000 relatives of the victims demonstrated in front of the Abadan police headquarters today, demanding punishment for those responsible.

The shah assured the relatives that those responsible would be punished, according to a government source. Bagher Nemazi, governor of Khuzestan province, flew to Abadan to oversee the investigation.

The Iranian movie syndicate announced that it would close all its theaters in Iran unless adequate protection is guaranteed.

Several days earlier in Tehran and Mashhad, in the northeast of the country, Islamic groups were blamed for burning three movie houses, a restaurant and the capital's biggest nightclub, the Bacara.

But in his fourth day of exile, turbulent pro-shah demonstrations in

After Reconciliation

Angola Chief Visits Zaire To Bolster New Relations

KINSHASA, Aug. 20 (UPI) — Presidents Agostinho Neto of Angola and Mobutu Sese Seko of Zaire embraced yesterday to seal the new friendship between their two nations.

"It is with joy and gladness that the militants of the Popular Revolutionary Movement [Mr. Mobutu's party] of Kinshasa welcome you to Zaire, the land of our ancestors," Mr. Mobutu said.

"Angola ahoy, Zaire ahoy," said a young girl who handed flowers to Mr. Neto on his arrival at Kinshasa airport yesterday for a three-day stay. He was accompanied by a 97-man delegation.

"My visit has started very well and will be concluded fruitfully," Mr. Neto said before he left the airport.

"This visit by an Angolan delegation, led by myself, to Zaire means that the biggest problems have been settled. We now have to find a way to organize the cooperation between our two countries."

He said that the Zairian-Angolan reconciliation was an event that the world had looked forward to and that it "opens the way to the development in peace of the nations of central Africa, notably Congo and Zambia."

Mr. Mobutu had invited Mr. Neto for the first "friendship" visit since Angola became independent in 1975. The two countries established diplomatic relations recently



Agostinho Neto

Hua Visits Black Sea as Russia Protests

CONSTANTSA, Romania, Aug. 20 (UPI) — Chinese Chairman Hua Kuo-feng disregarded Soviet ire yesterday and visited the strategically sensitive Black Sea — the domain of the Soviet Navy.

Tens of thousands of Romanians chanted a welcome orchestrated by cheerleaders when the 58-year-old Chinese leader arrived to tour Romania's largest shipyard.

Western diplomats, who said that Moscow considers the Black Sea its private "swimming pool," predicted that the Soviet Union would consider Mr. Hua's presence in this port city as "a deliberate provocation."

China had hoped to announce the opening of a consulate in Constantia during Mr. Hua's trip, but was asked by the Romanians to delay the move.

Western diplomats said that Moscow had firmly informed Romania that "a Chinese consulate in Constantia would be straining their tolerance to the breaking point."

The Russians, in a Tass commentary, have already blasted Mr. Hua for making "anti-Soviet remarks" at a state dinner at the start of China's historic debut on the European political stage.

In a dispatch from Peking, Tass

accused the Chinese press of sowing in Romania "hostility to the Soviet people." It was the first public Soviet comment on Mr. Hua's trip.

The dispatch reported Chinese press coverage of the visit and said that Peking newspapers were presenting the line taken by Mr. Hua in his talks with Romanian President Nicolae Ceausescu as "having above all an anti-Soviet tendency."

Tass also accused the Chinese press of crudely distorting the history of Soviet-Romanian relations.

Alerts Newsman

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(Continued on Page 2, Col. 3)

Lunda Tribe Views Him as Enemy

Mobutu Seen in No Hurry To Woo People of Shaba

By David Lamb

LUBUMBASHI, Zaire, Aug. 20 — Three months after an invasion by Angola-based rebels, Shaba province remains under martial law and a cloud of uncertainty, with its people convinced that the real enemy is the regime of President Mobutu Sese Seko.

Zaire Visit For Neto

(Continued from Page 1)

Mobutu has accused Angola of helping the Angolan-based Zairean rebels who invaded Shaba province twice in the past 18 months. Mr. Neto has replied that Zaire was still supporting Angolan guerrillas opposed to his government.

The reconciliation between the Marxist Angolan leader and Western-leaning Zairean president is of great importance to Mr. Neto, who has urged his government, curb corruption and seek reconciliation with Angola and with political opponents in exchange for a long-term economic and financial assistance plan that Mr. Mobutu has requested.

Amnesty Announced

Mr. Mobutu has already announced an amnesty for political opponents living abroad and freed several political prisoners. In Brazzaville, the two countries agreed July 22 to normalize their relations, to let refugees from either country return home and to re-open the Benguela railroad for Zaire exports.

Angola made a gesture in the reconciliation process last week by announcing that Zaire rebels living in Angolan camps will be disarmed and pulled back 150 miles from the Zairean border.

Re-opening of the Benguela railway, which runs from Shaba to the Atlantic coast, is of prime importance for Zairean exports of minerals, such as copper, cobalt and manganese.

Before Angolan independence, Zaire moved its mineral exports over the Benguela railway to Lobito in 12 days. The railway was damaged in the Angolan civil war and has since been closed to Zairean exports.

It takes Zaire 45 days to move the minerals along its national route to the Zaire port of Matadi, or a month to export them via South Africa.

Zaire is the world's sixth exporter of copper with about 450,000 tons a year, but Zairean sources have said that barely 300,000 tons have been shipped via the other routes in the past year.

The country is the world's major cobalt exporter with more than 10,000 tons. Part of the cobalt has been flown out, while the manganese production — about 360,000 tons a year — has been stockpiled in Shaba.

Official Optimism

Zairean officials have been optimistic about prospects for the Shaba mining operations. The company which markets Zaire's copper said that the mines, which were paralyzed by the occupation of the copper town of Kolwezi by rebels last May, are back at 90 percent of their normal production. This will enable the national Gécamines mining company to honor all contracts, the officials said. After the Shaba events, deliveries had to be cut by 50 percent.

The Angolan decision to remove the rebels from the border may help Zaire bring foreign experts back to Shaba. Zairean authorities have said that, since the mines were reopened after the Shaba events in May, they have been operated mainly by local technicians.

Labor union sources in Belgium have said the mining company has sent letters of notice to about 90 percent of the 350 Belgian technicians and 80 percent of about 100 French technicians repatriated to Europe after the rebel occupation of Kolwezi.

Although the mining company could lay off the technicians, the sources said that the unions may fight this since they did not leave by their own will but were forced to do so by exceptional circumstances. Union sources have also said that they have received reports that the mining company is trying to hire new technicians in France.

Most parties agree that Zaire will need the expertise of white technicians to keep the mines operating in the long run, although there might be fewer whites than there were in the past.

At stake is his own survival — and perhaps even that of Zaire, whose economic pulse beats thanks to the Shaba copper mines.

It is far from certain that Gen. Mobutu will be willing to meet the challenge. As his popularity has plummeted throughout Zaire — his regime survives largely because of Western military and economic help — he has surrounded himself increasingly with fellow northerners from Equateur province, often at the expense of other tribes, particularly the Lunda.

The Lunda, largest of Zaire's 250 tribes, live in southern Shaba province. They complain that the central government takes their copper but provides little economic development in return, that they are without representation in the government, and that Gen. Mobutu, a member of the backward Ngwandi tribe, is racially prejudiced against them.

No Lunda Left

Their complaints are not without foundation. In March, Gen. Mobutu ordered 13 army officers from Shaba shot after a show trial. In April, he purged most of the remaining Shaba officers from the military. By the time of the invasion, no Lunda was left in a position of high authority, in either the government or the military.

The wide public support that the invading rebels enjoyed in mid-May, during their six-day occupation of Kolwezi, the copper capital, reflected not so much their own popularity as it did the Mobutu regime's unpopularity. Ironically, it was the French and Belgian troops dispatched to Shaba to rescue the European expatriates who saved Shaba — and Gen. Mobutu as well.

"We were not defeated," said Nathaniel Mbumba, 37, a former chauffeur at a brewery, who claimed to speak for the invaders. "We are merely regrouping for the next coup. We will continue the border clashes until a general revolution ensues."

Despite the threat, Shaba has been relatively quiet since an inter-African peacekeeping force arrived here. Copper production has resumed in Kolwezi, and the military situation has stabilized. About 1,500 alleged civilian dissidents have been rounded up by Gen. Mobutu's henchmen and flown north to a "re-education camp" at Locandu in Kivu province, where Red Cross attempts to check on their well-being have failed.

Bandit Bands

The only military contact that the inter-African force has had has been with bandit bands of the Zaire Army, not with the rebels. By the most reliable accounts available, the rebels have withdrawn into Angola, where President Agostinho Neto says that they are being disarmed.

A CIA communications-monitoring facility has detected no evidence of a renewed buildup along the border, sources said.

The invasion of Shaba province in May by about 2,500 guerrillas, mostly of Lunda origin, was the second in 14 months. Whether there is a third depends to a great degree on whether Zaire and Angola proceed with their announced plans to establish diplomatic relations and end their feuding. It also depends on how long the inter-African force stays here as a deterrent.

Gen. Mobutu was pressured into mending his fences with Zambia and Angola as the price for Western economic support to his bankrupt country. From Angola, he wants a pledge that it will not support, directly or indirectly, another Shaba invasion. From Zaire, Mr. Neto wants the expulsion of three locally based guerrilla groups that have been militarily active against his government.

Unanswered Questions

Military analysts in Kinshasa, Zaire's capital, are still trying to make sense of the May invasion — and are not having much luck. Among the unanswered questions:

• Half of Zaire's 40,000-man army was stationed in Shaba. Why did Gen. Mobutu have only 300 paratroopers in Kolwezi, where an attack had been rumored for months?

The town fell virtually with the first shot, and the Zaire Army simply did not react.

• What was the real intent of the invaders, and who spoke for them? Unlike most victorious guerrilla armies, they set up no propaganda machinery in Kolwezi, issued no explanations about liberating anyone, and never acted as though they intended to hold their ground. They merely conquered, got drunk, killed and melted back into the bush.



HAPPY BIRTHDAY — Prime Minister Menachem Begin of Israel smiles as his grandchildren sing him a song for his 65th birthday at his official residence in Jerusalem on Saturday. Mr. Begin was 65 on Wednesday but celebrated on the date of his birthday by the Jewish calendar.

\$85,000 Grant to Rhodesia Rebels

By Marjorie Hyer

WASHINGTON, Aug. 20 (WP) — The World Council of Churches is under heat for its recent \$85,000 grant to guerrilla forces in Rhodesia — a move that critics charge will heighten, rather than diminish, racial tensions in that country.

Attacks on the council's controversial program to combat racism, which in the last nine years has given nearly \$1.5 million in grants to a variety of self-styled liberation organizations in southern Africa, is hardly new.

This time, however, the sharpest criticism is coming from some of the most steadfast defenders of the council and the program, many of whom are torn between their dismay over the grant and their loyalty to the council and its goal of combating racism.

The program was launched near-

ly a decade ago when the churches decided to give concrete support for their council's resolutions opposing racial discrimination.

From the outset, the grants to groups in southern Africa dedicated to overturning white minority governments drew outraged protests. Although the grants were never more than a few thousand dollars, traditionalists claimed that the churches were promoting bloodshed and revolution.

Defenders replied that the grants carried the stipulation that council funds be used only for humanitarian purposes such as medicine, welfare and education, and not for arms. And they likened the black African groups fight against the white minority rule to the underground resistance in Europe during World War II against Nazism.

Yes, with the internal settlement in Rhodesia in March, some black

leaders became part of the formerly all-white government of Prime Minister Ian Smith. It was no longer a clear case of black against white.

Feelings in church circles over the Rhodesian situation are heightened by the fact that two of the three black leaders who joined with Mr. Smith in March are not only churchmen but heroes within their respective denominations.

The Rev. Ndabaningi Sithole is a minister of the United Church of Christ who received his theological education at Andover Newton Theological School near Boston. Bishop Abel Muzorewa is head of the Methodist church of Rhodesia, which is a product of missionary efforts in that country and an integral part of the United Methodist Church in the United States. Bishop Muzorewa is a full-fledged member of the U.S. church's Council of Bishops.

Both men have frequently addressed gatherings of their churches in the United States and are highly respected.

The council decision, therefore, to support the guerrilla forces opposing the white-biased government was a bitter blow and, some U.S. church leaders feel, a tactical disaster.

One issue is that the grant was made by a four-person committee of council officers. While such an action is permissible under council rules, critics wondered why a decision in such a sensitive area was made by a handful of officers only six weeks before the meeting of the council's more representative executive committee.

Botswana Plans Murder Charges

GABERONE, Botswana, Aug. 20 (UPI) — The government said yesterday that it will charge a Defense Force commander with the murder of two white South Africans and a Briton.

Both the British and South African governments had demanded a full inquiry into the March 29 killings in a remote wildlife area where the frontiers of Botswana, Rhodesia and South Africa converge. The three men allegedly were in Botswana.

Reports in the British and South African press said that the three civilians, on a hunting trip, were killed by a platoon in Botswana's fledgling army. Attorney General Moleleki Mokama announced the decision on Botswana Radio after the conclusion of a police inquiry.

2 UN Soldiers Killed

JERUSALEM, Aug. 20 (UPI) — Two Austrian United Nations soldiers were killed and 13 injured in a road accident near Safed in northern Israel today, a UN spokesman said.

Says Word Broken on Aid in South

Lebanon Leader Critical of U.S.

BEIRUT, Aug. 20 (AP) — Premier Salim al-Hoss blames the Carter administration for Lebanon's inability to re-establish security in tension-ridden regions of the south, the Beirut weekly "Monday Morning" reported today.

The English-language magazine quoted Mr. Hoss as saying that he "was assured of U.S. intervention of the sort that would facilitate the job of the government in the south in relation to Israel, wherever necessary."

He said that the Lebanese government "feels let down by the Americans... because the United States was one of the countries which encouraged us to dispatch the army unit to the south."

Before the 630-man army unit was dispatched July 31, he said, he discussed with two visiting U.S. diplomats the "manner in which the United States could help to preclude Israel from taking a hostile stand in the south."

The army unit has been pined down at the village of Kaoukaba, 40 kilometers short of its designated destination in southern Lebanon.

Christianist militias and renegade regulars of the Lebanese Army have blocked the unit's advance, occasionally shelling its temporary encampments at Kaoukaba.

"Now that we are confronting resistance on the part of certain local groups in the border strip, supported blatantly by Israel, it is only natural that we should feel let down if we don't get the support of all the countries that encouraged us to undertake this step," Monday Morning quoted Mr. al-Hoss.

The southern region, vacated by Israel three months ago, is policed by an eight-nation, 5,200-man United Nations force.

The militias and the renegades control a 50-mile border stretch and have barred the UN force from entering it. They argued that the force was too small to defend the region against Palestinian guerrillas, who reportedly have been trying to infiltrate border villages to resume raids against Israel.

UN Meeting

Premier Hoss said that the UN Security Council was due to meet by mid-September to discuss a new resolution on the mandate of the UN force in Lebanon. The Lebanese government, he said, has yet to

decide whether to demand that the UN troops be transformed from a peacekeeping force into a strike force capable of aiding the deployment of the Lebanese Army in the south.

Turning to troubled quarters in east Beirut, where Christian militias have engaged the Syrian-dominated Arab League peacekeeping forces in intermittent artillery and mortar duels, Mr. Hoss said that

the peacekeepers were to remain in Lebanon until the Lebanese Army has been rebuilt on "sound foundations." His statement contrasted with demands by Christian rightist leaders for the ouster of the Syrian forces.

The Syrians have been entrusted with peacekeeping operations in all Lebanese areas except the UN-policed southern regions.

Shah Marks 25th Jubilee Of Return After '53 Exile

(Continued from Page 1)

Tehran toppled Premier Mossadeq and paved the way for the shah's return to the throne.

According to widely published accounts, the demonstrations were organized and financed by the CIA in a plan carried out on the spot by one of its best agents, Kermit (Kim) Roosevelt, a cousin of the President Franklin D. Roosevelt.

The CIA believed at the time that a Communist takeover of Iran by the pro-Moscow Tudeh Party was imminent, and the agency's then-director, Allen Dulles, was determined to prevent such development at all costs.

Former CIA officials have been quoted as saying. Although Premier Mossadeq's "National Front" regime was not Communist itself, it was seen as open to subversion and eventual overthrow by the Tudeh Communists.

Today the shah marks the same charge, though he does not mention the CIA role in his return to power. "It was later discovered that the Tudeh Party had planned to overthrow the shah (Mossadeq) government within two weeks," he told a news conference coinciding with the celebrations.

"Today the plot is the same and I have a great deal of information which shows that the rioters receive orders from the Communists," the shah said. "The plot is quite clear — to run Iran into an 'Iranestan.'"

He was referring to recurring anti-government violence in Iran this year and to fears that the Soviet Union to the north aims to turn his country into a satellite state.

This kind of appeal to Iranians' deep-seated resentment of foreign domination is basically a propaganda ploy commonly used by all sides in the present conflict. Diplomats say members of the outlawed Tudeh Party and radical terrorist groups have an interest in fueling the violence, but there is no evidence they are instigating it or are immediately involved in it.

Anti-West Sentiments

Instead, there are fundamental economic reasons for the current unrest, which is being channeled by some reactionary elements of Iran's powerful Moslem clergy into growing anti-Western and anti-minority sentiments. There is also increasing opposition to the shah's government by political liberals, but basically, economists say, the recent waves of widespread rioting across Iran are the work of "little people" lashing out against inflation, unemployment, unequal distribution of wealth and corruption in high places.

"A year ago you wouldn't have found all these people to go rioting," a veteran economic analyst said. "They would have been working in the construction boom."

Today, the construction sector is down sharply and the average daily wage for its unskilled laborers has declined from more than \$10 to about \$7. In a country with 55 percent adult illiteracy, construction is a key employment sector for unskilled people who cannot be absorbed in industry.

"In the long term, the economic frustrations will feed this kind of thing," a diplomat said about the rioting. "And it looks like things are going to get worse before they get better."

The shah is still firmly in control after 37 years, but to make his "liberalization" plans work many observers feel he will eventually have to give up some of his authority, or risk having it taken from him.

Oriental Rite Mass Ends Papal Mourning Period

ROME, Aug. 20 (AP) — The Roman Catholic Church ended its nine-day mourning period for Pope Paul VI today with an Oriental Rite Mass said in Armenian by Patriarch Hemaioagh Pier XVIII Ghedighian before 2,000 persons in St. Peter's Basilica.

The patriarch lauded the late pontiff for his efforts to bring peace to war-torn Lebanon.

During the traditional mourning period, an estimated 500,000 pilgrims flocked and prayed before the simple tomb of the pope in the grotto of the basilica.

Meanwhile, Joseph Cardinal Marie Trinh-Nhu-Khue, the archbishop of Hanoi, arrived in Rome to participate in the secret conclave of 111 cardinals that will begin Friday.

In the last few days preceding the conclave, the cardinals were reported avoiding politicking for favorites at their daily meetings.

Instead, John Cardinal Krol of Philadelphia said, they are exchanging ideas and information about background experience and capabilities of colleagues, delicately steering clear of promoting individuals.

"As for any naming of those who would or would not make a good pope, it's yet to be," Cardinal Krol said. "There has been no advocacy at all, no discussion on who is considered eligible."

Vatican observers say that the list of likely popes include Italian Cardinals Sergio Pappalardo, Sebastiano Baggio and Giovanni Benelli, as well as Eduardo Pironio of Argentina and Johannes Willebrands of the Netherlands.

Cardinal Krol, dean of the voting cardinals from the United States and former president of the U.S. National Conference of Catholic Bishops, said that the shunning of advocacy has "an edifying significance." "It is evidence of the awareness of the presence of the Holy Spirit," he said.

Concorde Sets Record

WASHINGTON, Aug. 20 (UPI) — An Air France supersonic Concorde set a speed record for commercial airliners on Friday by flying from Paris to Washington in three hours and 31 minutes, a National Aeronautics Association spokesman announced.

Rhodesia Leader Sees No Point In Attending Settlement Talks

SALISBURY, Rhodesia, Aug. 20 (AP) — Prime Minister Ian Smith gave notice today that the biracial transition administration sees no point in attending new Western-sponsored settlement talks at which guerrilla leaders will demand that Rhodesia's white-led security forces be dismantled.

In a national radio and television broadcast aimed at Rhodesia's whites — outnumbered 26 to 1 by blacks — Mr. Smith renewed his appeals to them to "just a few more months" before deciding whether to quit the country.

Mr. Smith also denied rumors here that he has bought a farm in South Africa and has driven cattle there in preparation to flee.

"I own no land anywhere other than in Rhodesia or any cattle... I have no intention of moving out. Everything I have is in this country, and I hope it is going to stay that way," he said.

Expectations of an all-party conference between the Salisbury administration and externally based guerrilla leaders have risen in the last week.

But Mr. Smith made it clear today that the crucial point on which 1976 Geneva peace talks collapsed — who will comprise and control the security forces of Rhodesia under black rule — is still the stumbling block in Salisbury's view.

Mozambique-based guerrilla leader Robert Mugabe reiterated last weekend his stand that the guerrilla forces, joined in the Patriotic Front alliance, must control the security forces during an interim period before black rule.

Referring to Mr. Mugabe's demand, Mr. Smith said: "I think it would be dangerous for us even to attend a conference with people who are going to put forward that kind of demand... I can think of few things that would do more harm to us and our future than to tamper with the security forces."

Hua Travels to Black Sea As Moscow Blasts Chinese

(Continued from Page 1)

vous young girls bringing him bouquets of flowers. At one point, he hurried over to a group of journalists and shook them away from the apparent danger of a big deck section bearing down on them.

Mr. Hua signed the guest book, copying his message in Chinese from a slip of paper, with remarks praising "the rapid development of the Romanian shipbuilding industry."

Romania hopes to sell China some large merchant vessels and oil tankers as part of the plan to increase trade between the two nations from \$500 million to \$1 billion.

Before leaving, Mr. Hua was presented with a scale model of the yard's latest ship. He and Foreign Minister Huang Hua then grasped the hands of the yard's directors and foremen and held them high for the cheering workers to see.

In the evening, Mr. Hua made a tour of the seaside resort complex that the Romanians have built out-

side Constanta, and then retired to the government guest house on Neptune beach for the night.

The lean, energetic Mr. Hua, who succeeded the late Mao Tse-tung in 1976, returned to Bucharest today to prepare for a Chinese-hosted farewell banquet.

His trip, the first west of Moscow by a Chinese leader, takes him on tomorrow to Yugoslavia and talks with Marshal Tito.

Botswana Plans Murder Charges

GABERONE, Botswana, Aug. 20 (UPI) — The government said yesterday that it will charge a Defense Force commander with the murder of two white South Africans and a Briton.

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2 UN Soldiers Killed

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The biggest activity, however, will be in technology exchange. In July, a Japan National Railways mission led by its president, Fumio Takagi, visited China, and Chinese officials requested help with computer programs for yards of rolling stock.

"But now their areas of interest have greatly broadened," said a railway spokesman. "to electrification of railways throughout the country, automation of many kinds and use of shinkansen [bullet-train] technology."

Japan's bullet trains, traveling between Tokyo and Osaka at speeds of up to 150 miles an hour and spread across the nation in an expanded network, are believed to be the fastest, heaviest-volume trains in the world.

Vice-Premier Ku Mu told Mr. Takagi last month that China plans to electrify all trunk rail lines and to bring in diesel engines everywhere else, starting in 1979. Japan is in good shape to help China with this vast program, a key element in the 10-year modernization plan started in China in 1976.

China is also asking Japan for help in the energy field. The 10-year plan calls for expansion of coal production from 500 million tons a year to one trillion tons a year by 1985. "They can only do this with modern technology," said a spokesman for the Japan Coal Association. China also seeks Japanese financial aid for coal mining.

In addition, China has asked the Japan National Oil Corp. to work jointly in exploration and development of oil-rich Plo Hui Bay, Mr. Miyazaki, vice president of the corporation, visited China to discuss the project in June, and another corporation mission will leave for Peking next month.

The oil corporation, which is a state-backed company, said that the Chinese proposal for joint activity was the first made to any foreign country.

"A key matter with vast proportions of this type," commented a Japanese official, "is the provision of finance. And it may not be simple to agree on terms."

That word of caution is often heard in Tokyo, but China, for the first time, is now willing to take bank loans from abroad. And with Japan overflowing with dollars, running the largest trade surplus in the industrial world — more than \$20 billion a year — provision of capital to China should be no problem.

Businessmen Cite Peking's Interest

China May Turn to Japan for Modernization Aid

Urumschi in the Sinkiang region, the frontier cities of Paochow and Huihot in Inner Mongolia, to Shanhaiwan in Hopeh Province and to Yunkan, to see the Buddhist statues carved into the granite mountains.

Policy Changes

"The whole policy on tourism has changed," a Japan Travel Bureau official said. Before, it was all political, but now they want to earn foreign exchange.

Until 1972, when China and Japan established diplomatic relations, there were no direct scheduled flights between Tokyo and Peking. Now Japan Air Lines has three flights to China a week.

The number of flights will increase to four a week in the autumn, and by next spring Japan Air Lines hopes to make daily flights and to put Boeing 747 jumbo passenger jets on the route.

The number of Japanese visiting China is also rising — from 18,825 in 1976 to 21,000 last year to an estimated 45,000 or 50,000 this year. About two-thirds of this year's total will be tourists, the rest businessmen on trade missions.

Experts at trading companies here expect trade with China to expand from last year's two-way total of \$3.5 billion to \$10 billion or even \$15 billion by 1980.

Visitors will now be able to go to

said. "Now they talk about building one of the world's most modern powers by the end of the century."

China is not going to be able to do that alone. Poverty-stricken for the most part, it is turning for help to Japanese industry, by far the most modern in the world.

And Japanese business, short of orders in an economy that is dipping toward a recession, is responding to the lure of the vast market across the water.

New Orders

A burst of new orders has come in from Peking. Toyota Motor Sales just received an order for its deluxe air-conditioned minibuses, raising this year's purchases by China to 670 buses worth \$10 million.

Although it is the largest auto exporter in the world, Toyota is still starting business in China and wants to make a good first impression.

The minibuses will be used to carry foreign tourists, most of whom are unaccustomed to Chinese public transport. According to the Japan Travel Bureau, China plans to increase the number of citizens that foreign tourists are able to visit from the present 30 or so to about 100.

Visitors will now be able to go to

WEATHER

	C	F		C	F		
ALABAMA	23	72	clear	MADRID	22	72	clear
AMSTERDAM	24	75	cloudy	MIAMI	26	79	sunny
ANAKARA	24	79	clear	MILAN	24	79	clear
ATHENS	24	82	clear	MONTREAL	24	75	clear
BEIRUT	21	82	clear	MOSCOW	24	75	clear
BELGRADE	22	80	overcast	MUNICH	21	78	clear
BERLIN	23	75	clear	NEW YORK	24	75	cloudy
BUSSELS	24	79	clear	NICE	25	77	cloudy
BUCHAREST	24	75	cloudy	OSLO	19	66	clear
BUDAPEST	22	75	clear	PARIS	24	75	clear
CASABLANCA	27	75	clear	PRAGUE	22	72	cloudy
COPENHAGEN	21	70	clear	ROME	24	79	cloudy
COSTA DEL SOL	24	80	clear	SOFIA	24	75	clear
DUBLIN	19	66	overcast	STOCKHOLM	23	72	clear
EDINBURGH	24	75	clear	TEHRAN	-	-	-
FLORENCE	26	86	cloudy	TEL AVIV	-	-	-
FRANKFURT	25	77	clear	TOKYO	26	82	clear
GENEVA	24	75	clear	TUNIS	31	88	clear
NELSONKI	20	68	cloudy	VIENNA	25	77	clear
ISTANBUL	24	75	clear	WARSAW	16	61	overcast
LAS PALMAS	25	79	clear	WASHINGTON	28	82	sunny
LISBON	26	79	clear	ZURICH	23	72	cloudy
LONDON	23	72	cloudy				
LOS ANGELES	18	64	cloudy				
				(Yesterday's readings U.S. and Canada at 1700			

Security Cited in Executive's Trial

U.S. to Drop 3 ITT Case Counts

By Charles R. Babcock

WASHINGTON, Aug. 20 (UPI) — The Justice Department is dropping three of six felony charges against a top executive of International Telephone and Telegraph Corp. because of fears that national secrets would be exposed at the trial.

A Justice Department prosecutor on Friday told U.S. District Court Judge Aubrey Robinson Jr. — without explanation — that the government would not proceed on three counts of the indictment that accuses Edward Gerrity Jr., a senior vice president of ITT, of lying about his firm's involvement in influencing the 1970 presidential election in Chile.

3 Charges to Remain

A Justice Department spokesman said later that the three charges were being dropped "following a determination that information essential to the prosecution of those counts could not be used as evidence and made public because the protection of the information is vital to safeguard national security and U.S. foreign intelligence interests."

Three substantive charges against Mr. Gerrity will remain, but Justice Department officials refused to say Friday whether they were thinking of dropping the entire case. "Cases like this are under

constant review," spokesman Terence Adamson said.

A similar concern about the possible disclosure of top-secret information was cited last fall when the Justice Department chose to let former CIA Director Richard Helms plead "no contest" to a misdemeanor charge growing out of the same investigation of ITT-CIA involvement in Chile.

When Mr. Gerrity and another ITT official, Robert Berrellez, were indicted in March, Justice Department officials expressed confidence that they had fashioned a case that would stand up against expected defense claims for intelligence documents.

The first sign of the change came Thursday afternoon when prosecutor Allen Carver Jr. told Mr. Gerrity's attorney, Walter Bonner, that the government would not prosecute charges of perjury, inducing another ITT official to lie, and making false statements before a 1974 arbitration board considering ITT insurance claims for confiscated property in Chile.

Not Yet a Formal Move
In open court Friday morning, Mr. Carver repeated the promise, although he said that he did not yet have the authority to move formally to dismiss the three counts. He said the case was being reviewed "at a higher level of government."

"During an afternoon pretrial

hearing, the government declined to drop similar counts in the companion indictment of Mr. Berrellez.

But the same potential problems involving defense access to classified CIA material were touched on by Mr. Berrellez's attorney, Patrick Wall. He complained that the CIA had made heavy deletions on handwritten notes he had taken from documents that already had been censored.

"I cannot abide being prevented from preparing a defense in this case," Mr. Wall said, waving what he said were 22 pages of censored notes. "The government said there was no national security in this case."

Mr. Carver countered that the government had given Mr. Wall all the classified documents he was entitled to. But Judge Robinson said that the defense attorney should return to the CIA and review the documents so that he could prepare a sealed motion justifying his claim to their relevancy.

Judge Robinson deferred ruling on the defendants' motions that the different counts in the indictment be dismissed for legal weaknesses. But he said at the end of the debate over access to CIA material: "The government plays games at its peril."

The ITT cases revolve around testimony by Mr. Gerrity and Mr. Berrellez in early 1973 before the



Edward Gerrity Jr.

Senate Foreign Relations subcommittee on multinational corporations. The subcommittee was investigating allegations that ITT had collaborated with the CIA in trying to prevent the 1970 election of socialist Salvador Allende in Chile. He won the election, but was killed in a 1973 coup.

Mr. Gerrity and Mr. Berrellez are charged with lying when they said that ITT did not offer to give financial aid to Mr. Allende's opponents.

Bitterness Toward Mayor Lingers

Memphis Police, Firemen Working; Curfew Lifted

MEMPHIS, Aug. 20 (UPI) — Striking police and firemen returned to work yesterday, with some lingering bitterness about their new contract, which was reached with intervention from the business and labor community.

The curfew imposed by Mayor W. A. Rife was lifted Friday and 2,400 National Guard troops who were called in to maintain order began returning home.

"Everything is moving very smoothly," Robert Walker, fire department director, said shortly after 400 firemen reported for work at 7 a.m. "I haven't had an exact count of those who failed to show, but everything seems to be getting back to normal. These people are professionals and I think they're ready to get back to work and make this a good fire department."

Mayor Criticized

Police, who struck on Aug. 11, returned to work at midnight but continued to criticize Mr. Chandler for what they claim is his "take it or leave it" approach to negotiations. Firefighters joined the strike Aug. 14.

Mr. Chandler and leaders of the Memphis Police Association and

the International Firefighters local agreed on new contract provisions that will raise the monthly pay of policemen by \$192 to \$1,340 and the monthly pay of firemen by \$187 to \$1,295 by October of next year.

The mayor immediately lifted a dusk-to-dawn curfew that had been in effect since the previous Friday. During the strike, there had been arson, looting and an extensive blackout.

Second Walkout

Leaders of the unions representing 1,100 police and 1,400 firefighters accused Mr. Chandler of trying to renege on the part of the contract that forbids retribution against the strikers.

Policemen on the 4 p.m.-to-midnight shift returned to work for about two hours, but walked out again to attend a meeting called by David Baker, union president, to explain the delay in Mr. Chandler's acceptance of the contract.

When Mr. Baker arrived at the city park where the policemen had gathered many were carrying picket signs and chanting: "Go to hell, Chandler."

Mr. Baker said the delay in Mr. Chandler's acceptance of the contract was concerned with the use of the word "amnesty."

In his explanation of the delay, Mr. Chandler said, "There appear to have been a couple of things that were a bit dangly," but there finally appeared to be "total agreement between the two sides."

Mr. Chandler said there would be no retribution against strikers who are to be reinstated without a loss in status or benefits. However, each policeman and fireman will lose five days' pay and the unions will pay \$15,000 in damages — the firefighters, \$10,000, and the police, \$5,000.

Chad Grenade Attack

NDJAMENA, Chad, Aug. 20 (AP) — A hand grenade thrown into a cinema last night slightly wounded one person, police said. Leaflets left by the attackers, two young men, said they were from the Frontline rebel movement.

News Analysis

Carter Misread Dollar's Link to Inflation, Trade Gap

By Clyde Farnsworth

WASHINGTON, Aug. 20 (NYT) — The gravest dollar crisis since former President Richard Nixon slapped wage and price controls and an import surcharge on an unsuspecting nation seven years ago has the Carter administration with its back to the wall.

President Carter has twice in recent days expressed deep concern about the dizzying fall of the dollar in the international currency markets and has promised steps to restore fractured monetary confidence.

Some sense of the urgency attached to improving the dollar's position was revealed by the extreme White House pressure applied to save a compromise that would lift U.S. price controls from newly produced natural gas by 1985, and by an unusually sharp boost in the discount rate announced Friday by the Federal Reserve Board.

Treasury Secretary Michael Blumenthal said there will be a series of continuing dollar-defense actions as decisions are reached in the next few weeks.

How did the administration get itself into the monetary morass? Why does the international value of the dollar matter anyway? What more can Mr. Carter do?

Despite the warnings being sounded late last year, the administration underestimated the virulence of inflation and the potential dangers of the trade deficit, the two

underlying forces behind the dollar's weakness.

The precipitous declines of the dollar against such currencies as the Japanese yen (30 percent in 12 months), the West German mark (15 percent) and the Swiss franc (33 percent) largely represent the widening differential in inflation rates between the United States and these trading partners.

Evidence such as huge Japanese and West German trade surpluses supports the theory that the low-inflation countries are the more efficient exporters.

And the tempo of inflation in the United States has been quickening since 1976, reaching a double-digit annual rate of 10.4 percent in the first half of this year. The experience of Japan, West Germany and Switzerland has been just the reverse, a narrowing of price increases, and in some cases declines.

Many currency traders view excessive growth of the money supply as one of the main inflation contributors because it leads to a situation where too much money is chasing too few goods. An increase in interest rates is a way of checking monetary expansion.

What disconcerted many currency traders and started the latest bout of dollar instability was the dissent about a further tightening of money rates aired publicly by Federal Reserve Board Chairman William Miller last month.

He was afraid that higher rates would drive business into a recession.

Excessive Fed tightening in 1974 had been seen as one of the factors in the unusually severe 1974-1975 recession.

Friday's Fed action, a half-point boost in its key lending rate to 7 3/4 percent, could accelerate the recessionary forces by dampening consumption and raising business investment costs.

The cheaper dollar matters because it is the most widely held store of value in the world and because its cheaper value not only destabilizes international trade and financial transactions but also acts as an engine of inflation in the United States.

A declining dollar increases the cost of U.S. imports and has other price effects that overall add 1 to 2 percentage points to the domestic inflation rate, economists calculate. Because of the great volume of dollars swishing about in the world's financial markets (about a half trillion dollars worth), the United States cannot intervene on an extensive scale to defend the dollar. Its reserves of foreign currencies are meager. Even if all the gold at Fort Knox were mobilized, the dollar could be swamped by waves of overseas selling.

This is why the Treasury has maintained a position that the United States will intervene only to stabilize market conditions and not to hold the dollar to a specific rate. But there are things the Treasury can do to make intervention policies more credible. It can enlarge foreign currency reserves by bor-

rowing West German marks or other foreign currencies. And it can borrow from the International Monetary Fund.

Another option, considered much less likely at this time, is to reinstitute capital export controls, as was done in the mid-1960s.

What Mr. Carter can do is show that he is deadly serious about

curbing inflation. In the view of currency market traders, this means he has to demonstrate, far more than in the past, a policy of toughness on government spending.

Additionally, he could establish more rigorous standards for wage and price behavior. Mr. Blumenthal already has suggested that this may happen.

U.S. Balloonists Pay for Victory

With a Dinner for British Rivals

LONDON, Aug. 20 (UPI) — The three U.S. balloonists who crossed the Atlantic arrived in London yesterday to talk about their plans to try to fly around the world and to pay the price of their victory — dinner for two British balloonists who did not quite make it.

Ben Abruzzo, Maxie Anderson and Larry Newman had a wager with Britons Donald Cameron and Maj. Christopher Davy that whoever crossed the Atlantic first would buy a consolation dinner for the losers.

Last month Mr. Cameron and Maj. Davy set off from Newfoundland in their Zanusai balloon but had to ditch 110 miles off the French coast.

Last night the two balloonist teams swapped tales of their 3,000-mile odysseys during dinner at the Savoy Hotel.

Before the meal, Mr. Cameron made a toast to the three Americans from Albuquerque, N.M. "For the most magnificent flight which has yet been made by balloon." Then, like all enthusiasts, they got down to talking shop.

"There is no replacement for the experience of your first flight," said Mr. Abruzzo, who made a previous transatlantic attempt with Mr. Anderson.

"They did rather better than we did . . . but perhaps we showed you the way. What happens in this system is that the British invent things and show the way and the Americans actually make it work," Maj. Davy said.

Supporter of Ray Alibi Says It Was Phony

By Nicholas M. Horrocks

WASHINGTON, Aug. 20 (NYT) — The House Select Committee on Assassinations has ended its initial investigation of James Earl Ray by severing one fragile thread of corroboration for his claim that he did not kill Dr. Martin Luther King Jr. in Memphis 10 years ago.

Last Wednesday Ray testified before the committee in a hope that his testimony and committee findings might lead public, if not legal, support for his plea for a new trial. But it was clear when the committee recessed after Ray's appearance Friday, until its November hearings, that neither his 38-page alibi nor a vigorous attack against the committee by his lawyer, Mark Lane, would seriously erode the weight of evidence that Ray once admitted was sufficient to make him plead guilty to Dr. King's murder.

Although the entire three days of interrogation have slipped away at the 50-year-old convict's story, it was not until late Friday, after Ray had begun his trip back to prison in Tennessee, that the committee administered a coup de grace to one key support of his story.

In March, 1969, Ray pleaded guilty to the shooting of Dr. King. He was sentenced to 99 years in prison and is serving that sentence. Shortly after making his plea, Ray claimed that he had not killed Dr. King. Ray said that he was at a gasoline station several blocks away at the time that Dr. King was shot at the Lorraine Motel.

In October, 1977, after Ray had been in prison for eight years, the National Enquirer newspaper published a story quoting Roy Cowden, a Memphis commodity salesman, who said that he saw Ray at a Texaco station in Memphis within minutes of the shooting of Dr. King. Mr. Cowden's account of the matter would have made it nearly impossible for Ray to have shot the civil rights leader.

A month later, in November, 1977, Mark Lane interviewed Mr. Cowden and taped the same story. Mr. Lane included the interview in a book he wrote with comedian Dick Gregory, entitled "Code Name Zorro."

Mr. Lane gave a transcript of his interview to the committee last year and has demanded that the committee and U.S. agencies investigate what he has called "new evidence."

False Evidence

The committee late Friday called Mr. Cowden to the stand. The 44-year-old former store manager testified that the information he had given the National Enquirer and Mr. Lane was a fabrication prepared at the urging of a Memphis private detective, Renfro Hays.

According to Mr. Cowden, he was at home in Port Neches, Texas, more than 400 miles from Memphis, on the night that Dr. King was shot.

Mr. Cowden testified that in December, 1974, Mr. Hays contacted the story of an alibi witness for Ray in hopes of "making a million dollars."

Mr. Cowden said that he had been supported for several months by Mr. Hays and felt deeply in his debt and added that Mr. Hays had promised him that if the story or movie rights of his allegation made money, "I will always take care of you."

Mr. Hays, who once worked as a private detective in the early investigation for Ray's defense, is in a Veterans Administration hospital in Memphis and was not available for comment.

The committee also produced an affidavit that further undermined the statement Mr. Cowden gave to the National Enquirer that Ray was in the Texaco service station in Memphis at the time of the shooting, which service station he was in at the time of the shooting and has given various versions of where it was located.

Although Ray was not personally identified with Mr. Cowden's story, Ray's general contention of innocence suffered sharply Friday.

Earlier, the committee presented the affidavit of a former London policeman, Alexander Eist, which said that when he was guarding Ray in June, 1968, the convict indirectly admitted to him that he had killed Dr. King.

Mr. Eist's affidavit said: "He told me that he had left this place, wherever the shooting had been; he told me that he left and he

was coming out of there when he saw a policeman or something like that and he said, 'That is the only time I made a mistake.' He said, 'I panicked then, and I threw the gun away.' So, he said, 'All I know is they've got my fingerprints on that gun but I should make a lot of money out of this.'"

Mr. Lane angrily charged that a British lawyer told him that Mr. Eist, who retired from the police after 28 years, had been implicated in corruption and jewel robberies. The committee said it would investigate

Mr. Lane's charges. Mr. Eist was not immediately available for comment, but British news sources said he had retired from his police career under honorable conditions and there are no formal charges against him.

For most observers and many committee members the attention on the question of whether James Earl Ray Jr. actually shot Martin Luther King has subsided; it was clear that his contention that he did not shoot Dr. King had suffered badly.



Roy Cowden retraces story that he had seen James Earl Ray at a Memphis service station when Dr. Martin Luther King was shot. He told a House panel Friday he was in Texas that day.

Despite Complaints of Waste

U.S. Veterans' Health Care Expanding

By Richard D. Lyons

WASHINGTON, Aug. 20 (NYT) — One of the biggest growth industries in the federal bureaucracy is the medical arm of the Veterans Administration, which, despite criticisms of empire building and wastefulness, is expanding faster than ever, abetted by a benevolent Congress.

During the last fiscal year, \$5 billion was spent either providing health-care programs for veterans and their dependents or erecting buildings that would provide such services.

To cite from the VA's annual report made public this month, "at the end of fiscal year 1977, 327 projects were under construction at a total estimated cost of \$627 million."

The VA health-care system is easily the largest in the country, composed of 172 hospitals, 219

out-patient clinics, 89 nursing home care units and 16 old soldiers' homes.

Last year, a record 2.4 million veterans applied for VA-delivered health-care benefits, while 1.2 million, also a record, were treated in VA hospitals. In yet another record, 17 million visits were made for outpatient services.

Only a year ago a congressional mandated three-year study of the health-care program, concluded that the VA was squandering money on the wrong types of care, building facilities that were uneeded, and perhaps should be scrapped.

The report of the National Research Council of the National Academy of Sciences, which was highly critical of VA operations, as others have been in the past, generated a great deal of controversy but little if any remedial action.

Indeed, Congress, half of whose 535 members are also members of such veterans groups as the American Legion, which lobbies for greater benefits, acted true to form by passing a spate of legislation giving new and expanded health-care benefits to veterans and their dependents.

Attempts to dismantle the giant VA bureaucracy with its 200,000 employees have been blasted off Capitol Hill. Some of these have included notions that would turn medical care over to the Public Health Service and pensions to the Social Security system.

On taking office, the Carter administration took a tough line on VA capital construction as part of a general effort to contain federal outlays. Yet, just two months ago the administration did an about-face and dropped its opposition to a new \$75 million VA hospital in Camden, N.J. — one the VA itself says is not needed — to obtain the vote of the representative from the area on a bill before Congress.

The final irony is that the vote was sought to pass the administration's hospital cost-containment bill, which failed to pass anyway.

Nixon Reported Planning Trips To Europe, Far Eastern Nations

WASHINGTON, Aug. 20 (UPI) — Richard Nixon is planning visits to Europe, China and other Far Eastern nations in a major step toward a full-scale return to public life, informed sources said yesterday.

The sources said that the former president's travels probably would begin next month but would not, for the time being, include the Middle East, where moves are under way to revive Israeli-Egyptian peace talks.

The sources said that Mr. Nixon, who resigned in the face of almost certain impeachment four years ago this month, has received a number of invitations from foreign nations and has decided to start accepting them as part of his gradual emergence from seclusion.

His aides, they said, have alerted the State Department and the White House of the plans that are developing.

It seemed doubtful that Mrs. Nixon would be able to accompany him on any trips. She suffered a stroke two years ago and still shows slight signs of paralysis.

The sources said that the precise itinerary is still incomplete.

FBI Data Said to Aid Klan in '61

DETROIT, Aug. 20 (UPI) — The FBI in 1961 relayed detailed information on two busloads of civil rights workers to a Birmingham, Ala., police sergeant who was a known agent of the Ku Klux Klan, the Detroit Free Press reported today.

The Free Press published details of 3,000 pages of FBI documents released to the American Civil Liberties Union. The documents indicate that the FBI knew that Sgt. Thomas Cook of the Birmingham Police Department's intelligence branch was passing the FBI information directly to Klan leaders.

According to the documents, the chief of the Birmingham FBI office called Sgt. Cook to inform him of the buses' progress and scheduled arrival time at Alabama bus stations, the newspaper reported.

An FBI informant who had infiltrated the Klan said that Sgt. Cook and Birmingham Public Safety Director Eugene (Bull) Connor conspired with Klan leaders to permit physical attacks on Freedom Riders upon arrival of the buses in Birmingham, the newspaper said.

Under the plan, the documents indicate, Birmingham police agreed to show up at the terminals 15 or 20 minutes after the buses arrived to give Klansmen time to attack the civil rights workers. When the buses arrived, no police were present and Klansmen attacked civil rights workers and journalists with chains, pipes and baseball bats, the newspaper reported.

U.S. Envoy Approved

WASHINGTON, Aug. 20 (UPI) — The Senate approved on Friday the nomination of Nicholas Veliotes as U.S. ambassador to Jordan.

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The Farber Case

The case of the New Jersey courts vs. Myron Farber and The New York Times has had some interesting repercussions, not the least of them being a crack in the united front traditionally maintained by the nation's press on the question of confidential sources. In a recent column in the Wall Street Journal, Vermont C. Royster disputed the conventional wisdom of the press, arguing that a reporter does not and should not have an absolute privilege to refuse to reveal confidential sources or notes. Columnists Joseph Kraft and Anthony Lewis have taken similar stands.

Mr. Royster offered a hypothetical case that leads inevitably to the position he advocated. Suppose a reporter has picked up, in confidence, a specific piece of information that would establish the innocence of someone accused of a crime; the defendant knows this and demands, with some precision, that the information be made available; there is a high probability that, with this evidence, the defendant could establish his innocence. What then? Mr. Royster argued that the reporter should be compelled by the courts to violate his confidence in the interest of the defendant's right to a fair trial.

It is almost a foregone conclusion that, as a matter of law, Mr. Royster's view would prevail. On the basis of prior decisions, the Supreme Court would be almost certain to rule that a reporter does not have a legal right to protect confidential sources or notes if it can be demonstrated with sufficient force and particularity that they are — or may be — decisive to the outcome of a criminal case. Indeed, we would find it hard to dispute that result, either as a matter of law or of public policy, in a situation like the one Mr. Royster set out. But the key word is *decisive*, and that leaves much room for argument.

Consider, in the interest of expanding the argument, quite a different hypothetical case. Suppose that a government employee has evidence that a local prosecutor, police chief and mayor are accepting bribes from criminals. Fearful of losing his job or even his life if it becomes known he has such evidence — and not trusting the authorities — the employee tells what he knows to a reporter after extracting a promise that his name will never be revealed. After verifying the information and publishing it, the reporter is called before a grand jury presided over by one of the prosecutor's assistants. When he refuses to reveal his source or his notes, he is taken before a judge who just happens to be an old political crony of the mayor. Must he tell all or go to jail for contempt?

Too fanciful? No more so than Mr. Royster's hypothetical case. Ours leads also to an inevitable conclusion — but one that is precisely opposite his: We would conclude that a reporter should not be compelled to reveal sources when the result would be more likely to be retribution than justice — especially when you consider the wider effect on would-be sources if court-enforced betrayals of confidence by reporters become a matter of common practice. What chance would there be — in the atmosphere of corruption we have outlined — that conscientious citizens would dare blow the whistle on public wrongdoing?

Those two examples, at opposite ends of a wide range of possibilities, suggest why the Farber case and similar cases stir deep emotions. Those who believe, as do most judges, that the legal system is the sole repository of justice and virtue, tend to think about reporters' privilege in terms of a denial of the right to a fair trial. Those who are skeptical of the legal system's complete integrity, as are most reporters and newspapers, tend to think of the right to uphold the confidentiality of sources as central to the effective functioning of a free press.

The right answer to the problem of confidential sources and information lies somewhere between those extremes. Reporters and newspapers should not be obstructions to justice. But neither should their investigative efforts be hobbled by an inability to offer confidentiality to their sources with any certainty that their word has enduring value.

Finding the proper balance between the competing interests is difficult, the more so since cases such as Mr. Royster's, or ours, are indeed hypothetical. Real life is rarely that clear cut — as witness the Farber case. Just to begin with, the defense lawyers who are seeking his notes and files have been required to make no showing that they have any reason to believe that something in those notes will help their client. They have not even been required to specify what they are seeking. Their request, in other words, has many of the earmarks of an unacceptable fishing expedition. Moreover, the ruling of the trial judge that he must see all of Mr. Farber's notes before considering the First Amendment claim seems to ignore hints from the Supreme Court that he ought to be specific about what he wants to see. The Times, by resting its case so heavily on the First Amendment, has diverted attention from a strong Fourth Amendment argument against the sweeping nature of the defense request. Mr. Farber's book contract has also complicated the case in ways that further cloud the basic issue. And all this leaves aside the question of whether the New Jersey courts have given proper weight in this case to the state's "shield law," which is supposed to protect reporters' confidences — not to mention the deeper question of whether such laws do not themselves diminish the pure force of the First Amendment's protections against abridgment of a free press.

The more we hear about the Farber case, in short, the less we like the idea of its becoming a test of anything having to do with fundamental First Amendment questions. It seems to us that the judge, Mr. Farber and The Times have become caught up in a hopelessly complex confrontation whose chief virtue, so far as we can see, is that it has forced journalists — and, we hope, judges — to recognize that these so-called "source" cases will sometimes require difficult judgments among competing values. For us, the rights and virtues of a free press are paramount, and we would argue for the strictest reading of the First Amendment in their behalf. But we cannot altogether exclude the possibility that, in a particular set of circumstances, other rights, equally enshrined in the Constitution, might prevail.

THE WASHINGTON POST.

Looking Back at Elvis

Which will seem more absurd to those who study our time, the nationwide flap in the 1950s that kept Elvis Presley's gyrating hips from being televised or the hysteria with which his fans last week commemorated the first anniversary of his death? Neither the 90-degree heat nor the police strike that has otherwise paralyzed Memphis could diminish the fervor of about 10,000 disciples who streamed down Elvis Presley Boulevard, formerly U.S. 51, to worship at the gates of the 13-acre Presley estate.

There were mothers, no longer so young, dragging children togged out in Presley capes. There were wailing fans who half expected their departed hero to speak to them from above. There was the fast-food waitress who traveled hours by bus to win a last glimpse of — what?

Social historians will have to deal with

Elvis, the young truck driver from the poorest South who cut a record for his mom and was catapulted to fame and fortune. He had a Cadillac painted in pink, his mom's favorite color, not to mention two Stutz Blackhawks, a Ferrari, a jeep, six golf carts, two airplanes, a variety of motorcycles, tractors and mobile homes and a pickup truck — all manner of mechanical motion, deriving from the animal motion and pulse of his music.

A year after his death, in a steadily more permissive society, the Elvis legend has, if anything, grown, and that will tell the historians something. A drunken security guard in a power plant can black out all Memphis, but for \$2 you could buy and carry a special Elvis candle. TCB, as it says on his tombstone, Taking Care of Business.

THE NEW YORK TIMES.

International Opinion

Albania's Future

Behind the Albanian accusation against China and the pompous defenses of its own policies lies the hard fact that the country will find it difficult to exist economically without Chinese aid; in spite of the fact that this aid seems to have involved considerable problems over the years. When the Albanian party states that Tirana "has never been iso-

lated and can never be so," this is merely reference to its alleged ties with various groups of frustrated revolutionaries around the world. If the Albanians reject a common front with China, Romania and Yugoslavia against the Soviet Union for reasons of independence, then Moscow's interest in Tirana might well increase.

— From the *Neue Zuercher Zeitung* (Zurich).

In the International Edition

Seventy-Five Years Ago

August 21, 1903

NEWPORT, R.I. — The first of the series of this year's America's Cup races ended in disappointment when failing winds becalmed the U.S. titleholder Reliance and her British challenger, Sir Thomas Lipton's Shamrock. The Reliance had a two-mile lead at the time the race was called off, but her owners stated later that such a lead was inconclusive under the conditions. The calling-off of the first heat did nothing to dampen the holiday atmosphere prevailing at this Rhode Island resort.

Fifty Years Ago

August 21, 1928

ATHENS — The parliamentary elections in Greece have resulted in a crushing victory for the Republican supporters of Mr. Venizelos, who is now in a position to rule the country as a virtual political dictator. Mr. Venizelos's main Royalist rivals, including General Metaxas, former communications minister and chief of the moderate Royalists, were not returned to the Athens parliament, and even Royalist strongholds such as Corfu and Patras elected Venizelists instead of supporters of King George.



Carter Looks Around

By William F. Buckley

NEW YORK — "The only promise Carter has kept," a Republican contender for the presidency was heard recently to mutter, "is to give amnesty to traitors." The formulation is hyperbolic, but so is campaign oratory. It really is a rather staggering list, and it is becoming a form of impoliteness to remind the president of what he said he would do for us if he became president, so let us give him a day off and concentrate instead on the mutinous thoughts being thought by so many disloyal Democrats.

There is the problem of what goes now by the name of "conservative revival." The code name for it is Proposition 13. There are very few instances in recent American political history in which the voters have expressed themselves so emphatically, so unambiguously. The turn-around in California by Gov. Brown is the most amusing tergiversation in memory. It is as if Sen. Eugene McCarthy were to stand up and claim credit for the Vietnam war, or Sen. Jacob Javits accuse the White House of being squishy-soft on Israel.

A prominent liberal Democrat in Illinois was recently invited to contend for the seat now held by Sen. Charles Percy. He surveyed the political situation and concluded that the only way he could hope to defeat Percy in Illinois would be by campaigning against him from the right. He'd have found this a most awkward thing to do, given his tradition and his personal convictions, so he bowed out.

The notion that President Carter will move to the right is gaining popularity, but not credibility. The generality is of course correct: Major politicians tend to follow the trends. But to the right of Carter is the Republican Party. Does it follow that Carter could preempt what is essentially a Republican position? The answer is: No. Because if he did, the left would almost certainly put forward a third-party candidate whose effect would ruin Carter's chances in a general election.

Who might the third-party candidate be? Here one gets into difficulties. Gov. Brown and Sen. Edward Kennedy are the obvious choices. But there is also the obvious problem that if they accepted a third-party designation, thus guaranteeing the defeat of the Democratic incumbent, the loyalists would almost certainly punish them by denying them the nomination in 1984, assuming that the Soviet Union permits us to hold an election in 1984. But Democrats who do not dream of occupying the White House would be available. For instance, Sen. Eugene McCarthy. He is slightly tarnished, to be sure. The nicest thing about him — which is that he really prefers whimsy to politics — is his principal disability. He is a little idiosyncratic, and

that isn't the favorite quality of George Meany.

The third-party candidate would need to get fairly substantial backing from organized labor in order effectively to chop off the Democratic head. He would almost certainly get backing from what one might call the academic left. And financing from hard-lining friends of Israel who will be angry with Carter for declining to offer the United States to Israel in exchange for the Gaza Strip.

Carter won narrowly in 1976 as

an apostle of the balanced budget, a reduced bureaucracy, a stable dollar and full employment. In 1980 the dollar will probably be worth 30 percent less than it was when Carter was elected, and unemployment may well be higher. It would not appear that he has much of a chance. As a politician, the president would have to be re-born.

What possibility remains? The ineptitude of the Republican Party, which may prove to be Carter's secret weapon.

Camp David: Reasons for Hope

By Tom Wicker

NEW YORK — The quick and even eager acceptance of the Camp David summit by Prime Minister Begin and President Sadat offer the best reason to believe that possibilities are still alive for movement toward peace in the Middle East. Both leaders, despite their sharp criticisms of one another in recent months, obviously want peace; that doesn't mean they can arrange it at Camp David, but it is the essential precondition for any serious negotiation.

Reports from Jerusalem describe Begin as having accepted President Carter's handwritten invitation, privately handed to him by Secretary Vance, immediately upon reading it. He then cooperated to the extent of keeping his acceptance secret even within his own government; that avoided any possibility of a leak that might have made Sadat reluctant to accept a similar invitation, for fear of appearing to have been "pressured." Finally Begin was pictured as "jubilant" at a news conference following the White House announcement of the summit meeting.

Sadat also accepted the Carter invitation as soon as Vance had read it aloud to him; like Begin, the Egyptian president did not wait to consult anyone in his government. In accepting, moreover, he abandoned his recent position that Egypt would engage in no more direct talks with Israel until Israel offered concessions in advance.

Want Doors Open

These are the actions of men, however wedded to their own hard positions, who do not want the doors opened by the Sadat initiative and by Begin's first, most forthcoming response, to be closed, perhaps forever. They are the actions of men grateful for an opportunity to escape the dead end into which they had been driving themselves.

Sadat, for example, was under rising pressure from the other Arab states to abandon or change drastically a peace initiative that appeared to have run out of steam. He had lost some of his peace-maker's aura by his refusal to re-open direct talks with Israel, for which the Carter administration had rebuked him. And he had been calling, anyway, for the United States to become a "full partner" in Middle East peace efforts — a description Vance accepted, without defining, at a Cairo news conference.

Begin is well aware of and appar-

ently resents world opinion that he has been intransigent and more interested in territorial gains than in peace. He has both an unsettled political situation and a troubled economy at home. Sadat's demands for concessions before the resumption of direct talks could not have been met had not the American invitation intervened. And that invitation was couched in such a way that the Israelis, always sensitive to any hint of an "imposed" settlement, could continue to regard President Carter as a "mediator" — even if Sadat believes him now a "full partner."

Another Reason

If Carter's personal perceptions of the Israeli and Egyptian leaders are accurate, there is another reason to hope for at least some movement toward peace at Camp David. Carter regards Sadat as highly flexible in private, no matter what he says in public — so flexible, in fact, that even a limited Israeli concession on the difficult West Bank question might be sufficient for him.

The president sees Begin, on the other hand, as being no more flexible in private than he is in public; the line he takes at news conferences is the line he takes in man-to-man talks with Carter. The president nevertheless believes that Begin deeply and sincerely wants peace, so much so that he once broke into tears as he discussed this "lifelong dream" at Carter's dinner table.

In the president's view, moreover, Begin personally wants nothing so much as to crown his life with the achievement of a secure peace for Israel.

This won't lead him to abandon his hard line on the West Bank question; far from it. It does offer, however, possible clues as to how

B. D. BRAUNSCHVIG, Tel Aviv.

Hurrah!

Hurrah for the British! I note from your paper (HT, Aug. 3) that Great Britain will reduce staffs in some of her posts abroad. Regardless of the reason, this seems to me a sound move.

If some of the developing countries, who, in many cases, do not know where their next piece of hard currency is coming from, would do the same, only good could result.

When Great Britain, with her long history and tradition of foreign service, can make such a move, it would seem not unreasonable that some of our developing friends could examine their situations and follow suit.

JOHN P. BAUMER, Istanbul.

Ideas on Where The Buck Ends

By William Safire

COPENHAGEN — The admiration of Europeans for American daring and enterprise surfaced briefly at the "Carter collapse" as the first successful balloon flight across the Atlantic. The trio of American balloonists who made history in the Lindbergh tradition reminded the Old World that success is not just the result of technical know-how, but the willingness of individuals to risk all.

That emotional reaction is likely to be short-lived because the impression most Europeans have of the U.S. is tied directly to the state of the American dollar. One cartoonist summed up the mixed emotions with a drawing of the three intrepid balloonists hanging out of their basket to read a giant sign in the earth below: "Welcome to France. Latest exchange rate: Dollar — 4.3450 francs."

Most Americans at home treat the dollar as "the Carter collapse" as an abstraction — something that one is expected to cluck-cluck over but not anything that affects the average man. American officials abroad join the tut-tutting without feeling the pinch: Their salaries are automatically adjusted to absorb the decline in the purchasing power of their pay.

Not Affordable

But every American tourist, lured abroad by the welcome reduction in air fares, suddenly is struck by the weakness of his currency. What is affordable for the average German tourist is not affordable for the average American: a less-than-luxury hotel room in London costs more than \$50 a night, and a bottle of French wine in Copenhagen costs an American more than \$6 in a liquor store.

OK, the complacent economists say, the American can stay home. That lessens our most direct presence in the world. Worse, the plunging dollar is the most dangerous form of protectionism: U.S. inflation is fed by the rising cost of imports as Toyota and Volkswagen prices soar out of American reach, and U.S. car manufacturers no longer have to hold their prices down to meet foreign competition.

Most important, respect for the United States as a world power and reliable ally diminishes abroad when the mighty dollar is revealed to be helpless and contemptible. The value of the dollar is a daily vote by Europeans and Asians on the stability of the U.S. economy and the competence of its management. For months, we have been witnessing a massive vote of no confidence.

What did Mr. Carter do to corrupt the integrity of our currency? Worried most about the level of unemployment, the president

adopted policies that led to double-digit inflation. Treasury Secretary Blumenthal, who was cheerfully talking down the dollar only last year, now suggests that in the next six months we should see the rate of inflation reduced to a mere 5 percent — nearly double the rate that the Carter administration concocted an alibi for letting our balance of payments go deeply in the red. It was not his fault, he explained, but the fault of the Congress for not passing an energy plan — a wrong-headed, anti-incentive, price-decontrolling approach that could never provide a solution to our energy needs.

Europe's leaders have bought this Carter alibi because it removes their responsibility for helping to support a central currency — doesn't the American president agree that there is no hope for the dollar until the U.S. Congress adopts his plan? Europeans like to roar along their autobahns at 75 miles an hour and deplore the energy profligacy of the United States, the only country with a national speed limit of 55 miles per hour.

Third, President Carter fired Arthur Burns, whose sagacity and determination was trusted by the world's central bankers, and replaced him at the Federal Reserve with William Miller, who followed White House orders and voted against a necessary rise in interest rates. Despite this populist protest, the rates rose. Mr. Miller now has had to admit that his decision was by recommending another increase in interest rates to help defend the dollar.

What to Do

Europe's bankers, who saw British inflation sharply reduced after the International Monetary Fund demanded spending cuts and belt-tightening, know what America must do to rescue its dollar and restore world confidence in U.S. economic power.

Tax cuts to stimulate capital investments ought to be accompanied by cuts in federal spending to hold down inflation. The Carter administration should be willing to accept a mild recession now — with, I say, the unsavory, some rise in unemployment — to stimulate productivity and to avert a hair-curling recession and whopping unemployment later.

This requires the kind of political courage that Mr. Carter has not yet shown, and the kind of economic realism that the Blumenthal-Miller clique does not possess.

When Jimmy Carter took office he took a Harry Truman slogan and placed it proudly on his desk: the Oval Office. Little did he realize what "The Buck Ends Here" would come to mean.

Where
Ends

Returnees, Economic Exiles

Change in Lisbon Regime Caused 2-Way Migration

By Paul Lewis

LISBON (NYT) — Portugal's jump from dictatorship to democracy has meant an unexpected homecoming for many Portuguese. But for others it means an unwelcome diaspora.

Almost a million near-deserted Portuguese refugees have streamed back into this impoverished country from Angola, Mozambique and Guinea-Bissau since leftist military officers overthrew the Salazar-Caetano dictatorship in 1974 and freed Portugal's African colonies.

But as the colonial refugees poured into Portugal, straining the country's resources and worsening unemployment, many of Portugal's richest and most talented citizens, who had been the mainstay of its economy, fled into exile.

Some feared reprisals because of their association with the fallen fascist regime. But most decided that they had a better future in such places as Brazil, France and Switzerland, particularly because Portugal's new leftist rulers were expropriating the companies that the wealthy and talented owned or worked for, and the economy appeared to be crumbling.

Business Families Left

Famous Portuguese business families who left include the Melos, who owned the country's biggest industrial complex, the Companhia União Fabril, now nationalized; the Espírito Santo, whose bank, also nationalized, still bears their name; and the Champalimauds, who dominated insurance and cement manufacture.

Between 10,000 and 20,000 civil servants, executives and technicians also left the country, further depleting its already slim reserves of managerial talent and skilled labor.

Portugal's new democratic rulers have dealt much better than most observers expected with the stresses created by the influx of refugees from Africa, which in a few months raised the country's population 8 percent. By comparison, the French settlers who came back from Algeria in the 1960s amounted to barely 1 percent of France's population.

Officially, the *retornados*, as the African refugees are called, no longer constitute a problem. Only 15,000 are still considered out of work, and the government plans to close at the end of the year its crash \$300 million program to find them jobs and houses.

Soares Takes Pride

The former premier, Mario Soares, speaks of a miracle of integration, and he considers his handling of the refugee problem his greatest achievement.

In fact, the *retornados* often proved their own best friends. What they lacked in capital or connections when they came back to Portugal they usually made up for in enterprise and hard work, frequently to the discomfort of the indigenous Portuguese.

Rodrigues Mariana Lopes is a case in point. Now 53 years old, Mr. Lopes, who comes from the Cape Verde Islands, went from Lisbon to Angola in 1948 without a penny to his name. His first farming business was destroyed in Portugal's long war against nationalist guerrillas there. Last year he returned to Lisbon almost penniless again, after seeing his successful public-relations firm in Luanda strangled by the Marxist regime of Agostinho Neto.

Now he owns another flourishing public-relations firm here, and is working on plans for a \$1 million hotel complex with other refugee partners. "Work hard and never think of failure" is his philosophy.

We Help Each Other

Mr. Lopes admits that his approach to business is chivalrous, and that his success excites the jealousy of the Portuguese. All his friends and business partners are *retornados*, as are his employees. "We help each other because we went through the same experiences," he says.

Many Portuguese employers pre-

fer *retornados* because they work hard. But Mr. Lopes is convinced that Portuguese banks, companies and even government officials are biased against them. Because of their success, "somehow it's always our papers that get lost," he says, complaining also about frequent visits he receives from the tax inspector.

Local Portuguese also blame the *retornados* for the recent rise in street crime, drugs and prostitution in what used to be one of Europe's more peaceful and law-abiding countries.

Although Portugal has absorbed its African refugees more easily than most people expected, the country is still suffering from "the talent drain" of the last couple of years.

'Serious Problem'

"It's quite a serious problem," says a Portuguese banker. "Companies just can't get the managerial talent they need any more." A senior civil servant in the Portuguese Foreign Ministry complains of a serious lack of competent civil servants.

There are some signs of change. Jose Manuel de Melo has recently returned to Portugal to run Lisnave, the big privately owned dockyards. Other business exiles have also been making trips to test the waters.

But the great Portuguese business families that fled after the revolution still have not been compensated for their nationalized properties, as the government promised. When and if that compensation is paid, they are likely to be required to invest the money in Portugal. Most observers think that is the bait that will finally lure them back.

Argentina, Chile Reach Impasse on Islands Issue

By Juan de Onis

BUENOS AIRES, Aug. 20 (NYT) — Argentina and Chile, both in moods of suburban nationalism, have reached an impasse in negotiations to avert a conflict over maritime sovereignty at the extreme tip of South America.

After five fruitless sessions of a joint commission set up by the presidents of the two countries to negotiate a settlement, Chile called its delegation home last week and a Foreign Ministry statement said that Argentina "continued to make demands that are irreconcilable with treaties and arbitration awards."

President Augusto Pinochet of Chile called on his armed forces Friday "to renew in their hearts the oath of loyalty to defend with our lives the territorial sovereignty of Chile."

This tone of nationalist exhortation is matched every day on Argentine television with public service advertisements calling on Argentines to make "territorial sovereignty a national priority."

Naval Exercises

For the military regimes in power in both countries, the dispute — which surrounds an international arbitration award that recognized Chilean sovereignty over three islands at the mouth of the Beagle Canal — has led to displays of naval exercises, troop movements, and a profusion of statements by military commanders, nationalist groups and patriotic associations.

In February, the Argentine government of President Jorge Videla took the drastic decision to reject the arbitration ruling. It had been issued by the Queen of England on the basis of a finding by five judges of the International Court of Justice in the Hague. The islands of Picton, Lennox and Nueva were awarded to Chile.

The islands, populated only by a few sheep ranchers and crab fishermen, are of insignificant economic value, but both Argentina and Chile maintain the concept of 200-mile offshore sovereignty, and the possession of the islands by Chile supports claims to the continental shelf east of Tierra del Fuego. This is a region that has produced oil and gas, somewhat north of the disputed area.

The Argentine Foreign Ministry, in a hardening of its position, said that the Chilean statement after the withdrawal of its delegates was "incompatible with the spirit of negotiations" established for the joint commission.

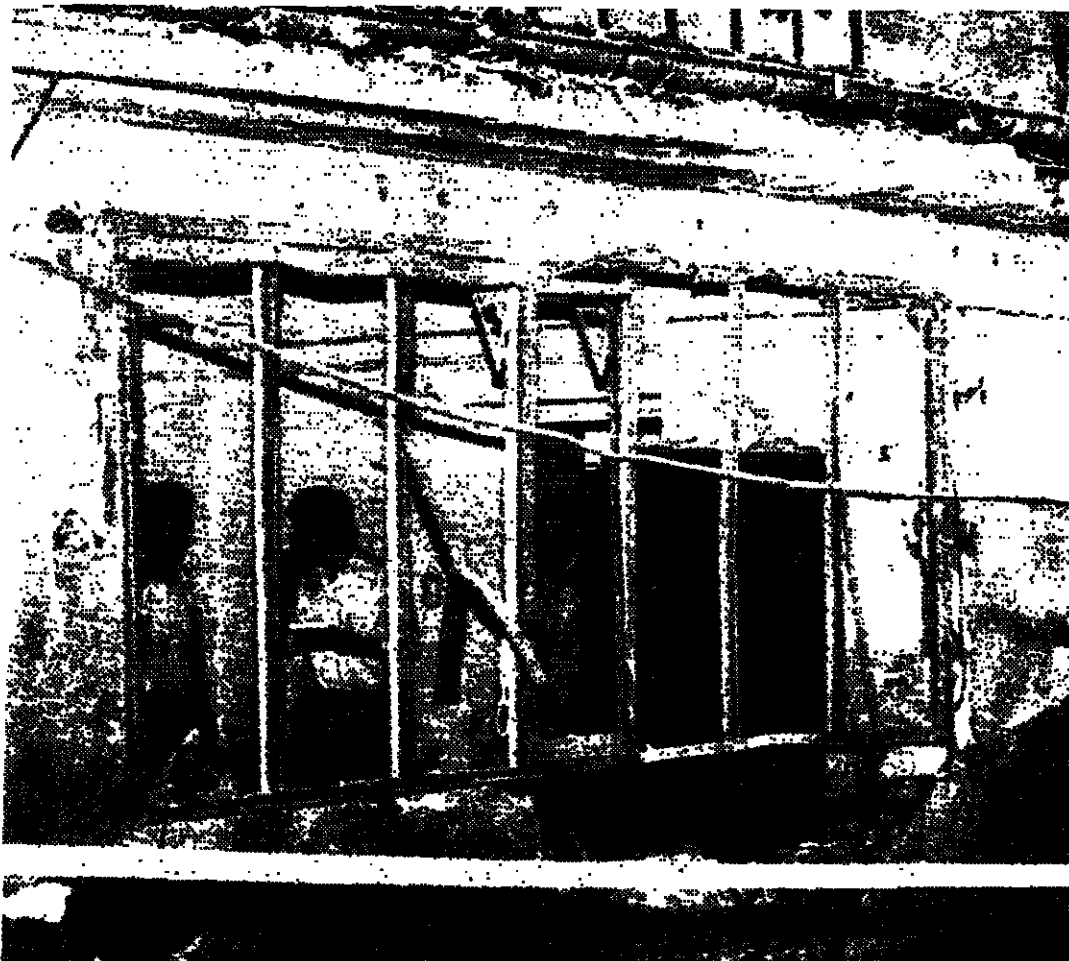
'Only Possibility'

Argentina has pointedly refused to recognize any further international decision on the dispute, and has said that bilateral negotiations "offer the only possibility for a peaceful settlement."

The Chilean press has implied that this stand by Argentina means either acceptance of Argentine demands or occupation by force of the islands in the disputed area. Argentina claims that there is a historical division of the waters between Tierra del Fuego and Cape Horn, in which Chile is sovereign on the Pacific side, and Argentina on the Atlantic. There is no treaty.

Reward for Pox Report

NEW YORK, Aug. 20 (UPI) — The World Health Organization is offering \$1,000 to anyone anywhere in the world who reports an active case of smallpox, it is reported in the current issue of *Unesco Courier*. The last confirmed case was reported in Somalia on Oct. 26, 1977.



Police investigate after explosion Saturday at Dusseldorf military barracks.

Damage Put at 1 Million Marks

8 Blasts Hit U.K.'s Rhine Army Bases

MOENCHENGLADBACH, West Germany, Aug. 20 (AP) — Officials today estimated the damage caused by eight explosions in six British military installations in West Germany at 1 million marks (\$500,000).

One woman soldier was slightly

injured when the charges rocked barracks in Moenchengladbach, Dusseldorf, Krefeld, Duisburg, Muelheim, Ratingen, Minden and Bielefeld around 11 p.m. Friday.

Contrary to first reports of five-pound bombs that did relatively little damage, a spokesman for British Army of the Rhine headquarters in Moenchengladbach said that the biggest bomb must have weighed 55 to 60 pounds.

Besides "fences blown down, windows broken, walls cracked and roof tiles blown off," the explosions also damaged about 30 private cars parked close to a military installation in Dusseldorf.

IRA 'Speculation'

In Bielefeld, an exploding five-pound charge caused little damage. But soldiers also discovered an unexploded 60-pound bomb, which a Rhine Army spokesman said looked "very much like what we know from Northern Ireland." But he termed "pure speculation" reports that the Provisional wing of the Irish Republican Army had planted the bombs.

Police sources in Dublin had said earlier today that they believed the

Provisional wing was involved in the attacks, and that Irish security forces were cooperating with police hunting for the bombers.

No organization has claimed responsibility for the blasts.

The police sources said that while the bombs may have been planted by IRA sympathizers in West Germany they believed that the instructions for the attack came from the outlawed IRA group.

2 Cars Sought

West German authorities, cooperating with British military police, said that they were searching for two cars with British registrations. They declined further details.

The Rhine Army warned its members and their families to be on the lookout for suspicious parcels.

Foreign Minister Hans-Dietrich Genscher phoned his British counterpart David Owen yesterday and assured him that German authorities would do everything they could to find those responsible for the attacks.

In Western Sahara Dispute

Mauritania Talks Peace as Time Passes

By John Darnton

NOUAKCHOTT, Mauritania (NYT) — The military government that seized power in this West African country last month says that it wants to end a protracted war against Algerian-backed guerrillas in the desert wastes of the Western Sahara.

But how peace will be achieved in a conflict involving power rivalries among Morocco, Algeria and France is far from clear.

Morocco and Mauritania annexed the Western Sahara, a former Spanish colony, in an agreement struck with Spain in November, 1975. The partition was vigorously opposed by Algeria, which has supplied Soviet-made arms and a staging area for between 5,000 and 10,000 guerrillas belonging to the Polisario Front, an indigenous force fighting for independence.

Although it is one of the least habitable places on earth, the 100,000-square-mile strip of blazing desert contains what are thought to be the world's biggest phosphate deposits, with reserves estimated at 1.7 billion tons, and valuable coastal fishing waters.

Last year the Polisario announced its intention to destroy the economic base of Mauritania, the weaker of its two enemies. Beginning in October, they attacked the 400-mile railroad that curves south and west to the sea outside the Western Sahara border from Zouerate, the iron mining center that brings in 80 percent of Mauritania's export earnings.

Economic Ruin

Despite protection by French-manned Jaguar jets, which began air strikes against the Polisario in December, the railroad has been knocked out four times this year. In the first six months of the year, it hauled 3.1 million tons of iron ore, well below the 4.2 million tons required just to break even.

With armed forces that grew from 2,000 to 14,000 men in only five years, and with military expenditures eating up 65 percent of the national budget, Mauritania faced economic ruin. The scene was set for the military to overthrow President Moktar Ould Daddah, a French-trained lawyer who had ruled since independence from France in 1960.

Because Mr. Daddah was deeply committed to retaining Mauritania's sector of the Western Sahara, the southern third, his removal was deemed essential by the Polisario as a first step toward peace. His replacement by a military junta, led by Lt. Col. Mustapha Ould Mohammed Saleh, has set off repercussions from Rabat to Paris.

but not yet radically altered the situation.

"With Daddah in power, peace was impossible," commented a Western diplomat. "But now that he is gone, it doesn't seem any closer."

Two days after Mr. Daddah was overthrown on July 10, the Polisario declared a cease-fire on its operations in Mauritania proper, "as a gesture of goodwill and a desire not to increase tension." It was an opportunity, the independence movement said, for the new Mauritanian government "to revise the criminal position of the deposed head of state."

Thankful for the respite, the new government has made more forceful statements about its desire for peace, but always adding the proviso that peace must come "in consultation with our Moroccan brothers."

"For us, peace is the priority of priorities," said the new foreign minister, Cheikhna Mohammed Laghdaf, in an interview with *The New York Times*. "But it is an essential condition to work with Morocco. A separate peace is not possible, because that would not be peace. Polisario would flee across our borders and Moroccan troops would chase them."

Mr. Laghdaf said that direct

talks with the Polisario had not yet taken place, although contacts had been made through intermediaries in Libya, Algeria and France. Stressing that all sides must compromise, he appeared loath to relinquish Mauritania's territorial claim over the southern sector of the Western Sahara, suggesting instead that a federation might link the two — a solution that is not apt to be acceptable to the guerrillas.

Erasive Reply

While attending the summit conference of the Organization of African Unity in the Sudan last month, the foreign minister was called in to meet President Houari Boumedienne of Algeria, who asserted that Algeria had no claim on the disputed region or its phosphates, and was supporting the Polisario out of respect for the principle of self-determination.

Mr. Laghdaf reportedly replied evasively that Mauritania, too, was eager for peace and would like to explore the possibility at a later date, when the Ramadan religious holidays ended.

As the moment for peace negotiations slips by officials here appear to be waiting for others to start the process. "The ball is not in our court," said the new information minister. "We took the first step — we changed our government."

Mauritania is in a delicate position because Morocco, Algeria's rival for dominance in northwestern Africa, maintains a force of 10,000 troops in Mauritania. Morocco, which gave up a territorial claim to all of Mauritania only nine years ago, would not look kindly upon a separate agreement giving Algeria influence on its southern flank.

Discussions last week about removing 600 Moroccan troops from Agdout, only three hours from here by paved road, were protracted. The troops could easily have moved into the capital to back a pro-Moroccan counter coup. Eventually, the Moroccans agreed to move them farther to the north.

Grandson of Crosby Dies in Police Chase

BEVERLY HILLS, Calif., Aug. 20 (UPI) — Bryan Crosby, 18, the grandson of the late Bing Crosby, was killed in a motorcycle crash while being pursued by police.

Officers said the youth, the second son of Philip Crosby, ran a red light Friday and was being chased by officers in a squad car when his motorcycle smashed into a curb, throwing him into a parking meter. He died at a Los Angeles New Hospital shortly after the accident.

Obituaries

John Fischer, Ex-Editor Of Harper's Magazine

GUILFORD, Conn., Aug. 20 (AP) — John Fischer, 68, editor-in-chief of Harper's Magazine for more than a dozen years, has died at Yale-New Haven Hospital.

His daughter, Nicolas Hahn, said yesterday that her father was taken to the hospital for an emergency operation Friday morning and died that afternoon.

Mr. Fischer had lived on Leete's Island in Guilford for the last 11 years.

He was a Rhodes scholar from 1933 to 1935. He worked for United Press International in England and Germany and for the Associated Press in Washington before World War II.

He started his association with Harper's in 1944, was named editor

of Harper's book division in 1947 and became editor-in-chief of the magazine in 1953. He held the post until 1968 and remained a contributing editor. He wrote a column for the magazine called "Easy Chair."

Mr. Fischer also worked for the U.S. Agriculture Department and made several trips abroad as a member of the Board of Economic Warfare and the Foreign Economic Administration.

Wang Cheng

TOKYO, Aug. 20 (AP) — Wang Cheng, 70, minister of China's fourth Ministry of Machine-Building and a pioneer of its electronics industry, died of cancer in Peking Aug. 13, the Chinese news agency reported today.

The agency said that Mr. Wang also was deputy chief of the armed forces general staff and a member of the Communist Party Central Committee and its military commission.

At a memorial meeting yesterday, the agency said, Mr. Wang was praised for "his good manner of working hard and living plainly, being approachable, keeping close contact with the masses and daring to make criticism and self-criticism."

13 Are Killed As Typhoon Hits South Korea

SEOUL, Aug. 20 (UPI) — A typhoon with winds of up to 45 mph struck South Korea today, causing 13 deaths and property damage estimated at \$3 million.

The storm hit the southwestern tip of Korea early today, and by noon, the Central Anti-Disaster Command said, 13 persons had been killed and four were missing. It said that more than 2,000 people were homeless. Up to six inches of rain fell in less than 24 hours, police said.

Police said that four members of a family were killed when their house was buried in a landslide in central Korea early this morning, and other persons were killed or missing in mudslides and rain-swollen rivers in other parts of the country.

Weathermen said that the typhoon, as it moved across the country, was rapidly losing force. It was expected to be downgraded to a tropical storm late tonight.

PARIS
AMUSEMENTS

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NORMANDE 118 CHAMPS-ELYSEES
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"Allez Lido"
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22 H 30 CHAMP-REVUE
D H 45 2^e SPECTACLE
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Nantes, 582.7.01 et 02

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REVUE ENTERTENEMENT NOUVELLE
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Foreign Bonds

August 21, 1978

U.S. \$30,000,000

COCA-COLA BOTTLING OF NEW YORK FINANCE N.V.

6¾% CONVERTIBLE SUBORDINATED DEBENTURES DUE 1993

Convertible into Shares of Common Stock of, and Guaranteed on a Subordinated Basis as to the Payment of Principal, Premium, if any, and Interest by:

**THE COCA-COLA BOTTLING COMPANY OF
NEW YORK, INC.**

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is pleased to announce that
with effect from MONDAY 21st AUGUST 1978
the Bank will be located in new premises
at
15 Austin Friars, London EC2N 2DJ

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<p align="center">Blyth Eastman Dillon & Co. International Limited</p>			
Banque Bruxelles Lambert S.A.	Banque de l'Indochine et de Suez		
J. Henry Schroder Wag & Co. Limited	Swiss Bank Corporation (Overseas) Limited		
Westdeutsche Landesbank Girozentrale			
Algemene Bank Nederland N.V.	A. E. Ames & Co. Limited	Amex Bank Limited	Amsterdam-Rotterdam Bank N.V.
Bache Halsey Stuart Shields Incorporated	Banca Commerciale Italiana	Banca del Gottardo	Bank of America International
Bank Julius Baer International Limited	The Bank of Bermuda Limited	Bank Gutzwiller, Kurr, Bungeger (Overseas) Limited	Bank of Helsinki Ltd.
Bank Leu International Ltd.	Bank Mees & Hope NV	Bankers Trust International	Banque Française du Commerce Extérieur
Banque Générale du Luxembourg S.A.	Banque Internationale à Luxembourg S.A.		Banque Nationale de Paris
Banque de Neuß, Schlumberger, Mallet	Banque de Paris et des Pays-Bas		Banque de Paris et des Pays-Bas (Suisse) S.A.
Banque Populaire Suisse S.A. Luxembourg	Banque Rothschild		Banque de la Société Financière Européenne S. F. E. Group
Banque de l'Union Européenne	Banque Worms	Barclays Bank International Limited	Baring Brothers & Co. Limited
Bayerische Hypotheken- und Wechsel-Bank	Bayerische Landesbank Girozentrale	Berliner Handels- und Frankfurter Bank	
Caisse Centrale des Banques Populaires	Caisse des Dépôts et Consignations	James Capel & Co.	Cazzovovo & Co.
Chemical Bank International Limited	Christiania Bank og Kreditkasse	Citicorp International Group	Chase Manhattan Limited
Compagnie de Banque et d'Investissements (Incorporated) S.A.	Compagnie Monégasque de Banque	Continental Illinois Limited	Commerzbank Aktienvereinsbank
Crédit Commercial de France	Crédit Industriel d'Alsace et de Lorraine	Crédit Industriel et Commercial	Crédit Lyonnais
Crédit du Nord	Crédit Suisse White Weld Limited	Creditanstalt—Bankverein	Daiva Europe N.V.
Den norske Creditbank	Deutsche Girozentrale —Deutsche Kassenbank— Eurogeot S.p.A.	DG BANK Deutsche Girozentrale	Dillon, Read Overseas Corporation
Drexel Burnham Lambert Incorporated	Euromobiliare S.p.A.	Compagnia Europea Internobiliare	European Banking Company Limited
First Bavarian Capital Corporation	First Boston (Europe) Limited	Robert Fleming & Co. Limited	Gefina International
Antony Gibbs Holdings Ltd.	Girozentrale und Bank der österreichischen Sparkassen Abteilungsschaff		Goldman Sachs International Corp.
Greenshields Incorporated	Groupement des Banquiers Privés Genevois	Hambros Bank	Hessische Landesbank —Girozentrale—
Hill Samuel & Co. Limited	Hoare Govett Ltd.	E. F. Hutton & Co. N.V.	IBJ International Limited
Istituto Bancario San Paolo di Torino	Kidder, Peabody International Limited	Kitcat & Aitken	Kjøbenhavns Handelsbank
Kleinwort, Benson Limited	Kreditbank N.V.	Kreditbank S.A. Luxembourggoise	Kuhn Loeb Lehman Brothers International
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Manufacturers Hanover Limited	Marine Midland Limited	McLeod, Young, Weir International Limited	Merck, Finck & Co.
Merrill Lynch International & Co.	B. Metzler seel. Sohn & Co.	Samuel Montagu & Co.	Morgan Grenfell & Co. Limited
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The Nikko Securities Co., (Europe) Ltd.	Nomura Europe N.V.	Norddeutsche Landesbank Girozentrale	Okasan Securities Co., Ltd.
Sal. Oppenheim jr. & Cie.	Orion Bank Limited	Paine Webber Jackson & Curtis Securities Limited	Pierson, Eldridge & Pierson N.Y.
PKbanken	Postpanski	Rothschild Bank AG	Rowe & Pitman, Hurst-Brown
Salomon Brothers International	Sanyo Securities Co., Ltd.	Schroders & Chartered Limited	Skandinaviska Enskilda Banken
Smith Barney, Harris Upham & Co. Incorporated	Société Bancaire Barclays (Suisse) S.A.	Société Générale	Société Générale Alsacienne de Banque
Société Générale de Banque S.A.	Sofas S.p.A.	Sparbankers Bank	Strauss, Turnbull & Co.
Union Bank of Norway Ltd.	Union Bank of Switzerland (Securities) Limited	Vereins- und Westbank Aktienvereinsbank	J. Vontobel & Co.
A. G. Warburg & Co. Ltd.	Dean Witter Reynolds International, Inc.	Wood Gundy	Yamaichi International (Europe)

Euromarket

(Continued from Page 7)

Dec. 15 at 14 1/4 a share, was cut to 8.4 percent from an initial 10-15 percent. Smith Barney said the reduction was in recognition of the instability of the dollar.

The managers of the Texas International Airlines issue seemed to be trying to avoid a repetition of the events in the secondary market that befell a recent \$25-million convertible issue by Coca-Cola Bottling of New York Finance N.V. The issue, with a 6.75-percent coupon, was priced at par but traded this week at 97.25-98.25.

The only straight Eurodollar bond signed last week was a \$70-million, 12-year floating-rate issue for Panama. It was well oversubscribed and priced at par, joint lead manager Dillon, Read Overseas Corp. said. Interest will be payable semiannually at a rate of 1 percent above point over the London inter-bank offered rate (Libor) for six-month Eurodollar deposits, with a minimum rate of 7.0 percent.

EIR Plans Issue

Two Eurodollar offerings are scheduled. Frab Bank International will issue \$25-million, floating-rate bonds, due 1986, carrying interest of 0.25 percent above Libor, with a minimum of 6.25 percent, managed by Societe Generale. European Investment Bank plans a \$100-million issue, due 1990, jointly managed by Nikko Securities Co. and Credit Suisse-White Weld.

In the Deutsche mark sector, prices gained up to 1/2 point Monday following German central bank approval of a 580-million DM, six-issue calendar for August. Thereafter, prices fluctuated within 1/4 point in quiet trading. The price of a five-year, 65-million DM bond for UDS Group (Netherlands) B.V., guaranteed by UDS Group Ltd. of London, was fixed at 99.25 with a coupon, as indicated, of 5.75 percent. Berliner Handels and Frankfurter Bank, lead manager, said.

In the secondary market, the price of a 65-million DM issue by Mitsubishi Petrochemical Co., guaranteed by Mitsubishi Bank, due 1983, slipped to 98.25-98.75 from an offering price of 99.5. It carries a 5.75 percent coupon. Murata Manufacturing Co.'s 40-million DM, eight-year convertible notes, bearing 3.5 percent, dropped in the

aftermarket to 98.00-50 from an initial 99.5. Nippon Steel Corp.'s 100-million DM, seven-year issue, with a 5.75 percent interest rate, was traded at 97.25-75, down from an offering price of 99.00.

Stated Deutsche mark issues include Cassio Computer Co., 40 million DM, due 1983, unguaranteed, convertible starting November 1978 into Cassio shares, managed by Dresdner Bank and Daiwa Europe N.V. Norske Stats Oljeselskap (Statol) plans 150 million DM, guaranteed by the Kingdom of Norway, due 1988, bearing 6 percent. Repayment begins after a five-year grace period and it is managed by Deutsche Bank.

Euroyen Offer

Trio-Kenwood Corp. has scheduled 40 million DM, due 1986, semiannual interest at 3.5 percent, convertible into Tokyo-listed Trio-Kenwood shares as of Nov. 21, jointly managed by Deutsche Bank and Nomura Europe N.V.

The book on a 15-billion Euroyen issue by Asian Development Bank is said to be going quite well. The 10-year bonds are expected to have a 5.75 percent coupon and to be priced at par.

In the Swiss franc sector, Chase Manhattan Overseas Banking Corp., a subsidiary of Chase Manhattan Bank N.A., has scheduled a 70-million-franc, 15-year issue, bearing 4 percent, to be priced at par. Redemption can begin on all outstanding bonds commencing in 1984 at premiums, which decrease until 1991 and thereafter at par. F.L. Smith, of Denmark, has on offer 25 million francs of 11-year bonds, with a 4.5-percent interest rate, to be issued at par. Both are being managed by Swiss Bank Corp. The World Bank's 250-million Swiss-franc issue of 15-year bonds, offered at a price of 100.50, was oversubscribed Friday, Swiss Bank Corp. said.

Tokyo Hails Fed Move

TOKYO, Aug. 20 (Reuters) — The Japanese finance ministry welcomed the U.S. Federal Reserve Board's action to raise the discount rate to 7.75 percent from 7.25 percent effective tomorrow. The rise was widely expected, ministry officials said.

Major League

Leaders

Eurobond Yields*

Week Ended August 16

(U.S. Dollars)

International institutions

8.77 %

Industrials, long term

8.74 %

Industrials, medium term

8.72 %

Canadian dollars, medium term

9.16 %

French franc, long term

10.03 %

Unit of acc. long term

7.70 %

* Calculated by Luxembourg Stock Exchange

Market Turnover

Week Ended August 18, 1978

(Millions of U.S. Dollars)

Total

613.00

Codel

432.00

Eurocl

181.00

1.353

1.167

185.60

Consolidated Trading

Of NYSE Listings

Week Ended August 18, 1978

Sales

High

Low

Change

Tenneco Inc.

2,141,000

7 1/4

7 1/4

-1/4

PacifiCorp

1,187,000

44

44

-1/4

LTV Corp.

1,142,000

11 1/4

11 1/4

-1/4

Am. Tel. & Tel.

1,142,000

67 1/2

67 1/2

+1/4

Chromalloy

1,129,000

25 1/2

25 1/2

+1/4

RCA

1,095,000

25 1/2

25 1/2

+1/4

Rohm & Co.

1,084,000

77 1/2

77 1/2

-1/4

Boeing

1,064,000

22 1/2

22 1/2

+1/4

Digital Equip.

970,000

22 1/2

22 1/2

+1/4

Sears-Roebuck

940,000

24 1/2

24 1/2

+1/4

Eaton

934,000

47 1/2

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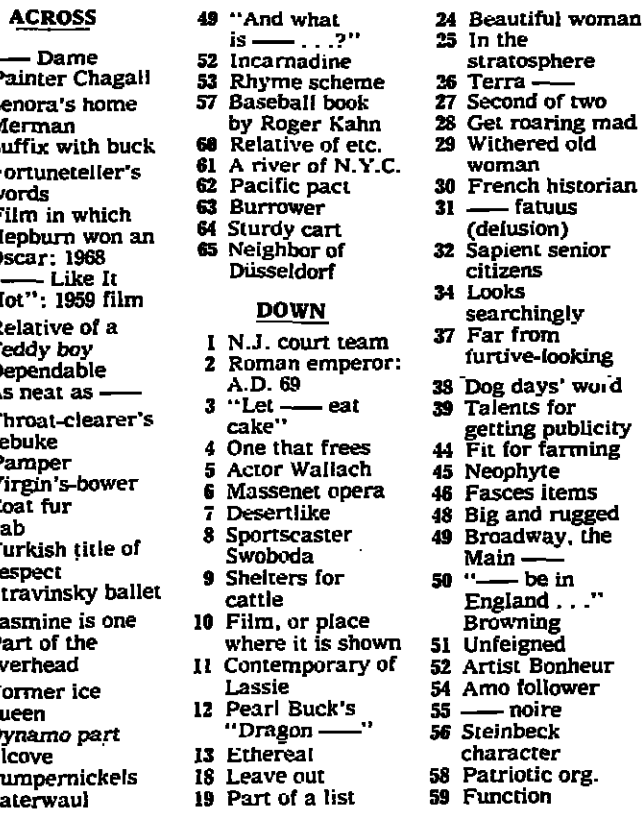
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By Eugene T. Maleska

[illegible]

Answer: THEM
 (Answers tomorrow)
 Saturday's | Jumbles: THICK SQUAW IMBIBE HARROW
 Answer: Could be a question of price—HOW MUCH?

Imprimé par P.I.O. - 1, Bd. Ney Paris 75018

Steven Ratner is on the staff of The New York Times.

Well Known

It is well known that Black can slip away from the Queen file with 14... Q-N3 since 15 BxQP7, BrB; 16 RxB2, QxP costs White material. What was not known before this game was that the supposedly strong 16 N-K1 is valuable primarily because 16... NxB7; 17 PxN, Q-N3; 18 QxQ, PxQ?; 19 P-QN4 gives Black trouble arranging for the retreat of his nearly trapped Knight, threatened by 20 P-B3. By postponing 16... NxB7 in favor of 16... Q-N3; 17 QxQ, PxQ, Korchnoi kept the QB square open for the use of his Knight, thus solving the variation's chief problem.

Of course, Black was left with

Sutton Loses 10th

Mets Defeat Dodgers, 8-4

NEW YORK, Aug. 20 (AP) — Steve Henderson's two-run single highlighted a four-run sixth inning yesterday, carrying the New York Mets to an 8-4 victory over Los Angeles and ending the Dodgers' four-game winning streak.

After New York reliever Dale Murray, 6-5, pitched out of a bases-loaded, one-out jam in the top of

the sixth, the Mets went to work against Don Sutton, 12-10.

John Stearns doubled and Bruce Boies walked. One out later, after Doug Flynn walked to load the bases, pinch-hitter Ron Hodges lofted a pop fly that was dropped by shortstop Bill Russell.

Stearns scored on the play, snapping a 3-3 tie. Then Lee Maz-

zilli drew a bases-loaded walk and one out later, Henderson cracked the single off reliever Charlie Hough that helped the Mets to their second victory in eight games.

Reids 9, Cubs 7

At Chicago, singles by Mike Lum and pitcher Tom Hume in the 10th inning led Cincinnati to an uphill 9-7 victory over Chicago. Dan Driessen opened the Cincinnati 10th with a single and, when right fielder Bobby Murcer dropped Johnny Bench's line drive, Driessen was forced at second. Dave Concepcion singled before Lum's fourth hit of the game scored Hume. Hume then singled home two more runs through a drawn-in infield.

Padres 3, Expos 2

At Montreal, Randy Jones and Rolfe Fingers combined on a five-hitter and Jones knocked in the winning run with a sixth-inning single as San Diego posted a 3-2 victory over Montreal. Jones, 11-11, allowed two unearned runs over seven innings before yielding to Fingers, who extended his major-league-leading save total to 28.

Pirates 4, Astros 2

At Pittsburgh, Frank Taveras stole three bases and scored two runs, leading Pittsburgh to its fifth straight victory, a 4-2 decision over Houston in the first game of a doubleheader. The second game was postponed because of rain and was rescheduled for today as part of a doubleheader.

Braves 3, Cardinals 0

At St. Louis, rookie left-hander Larry McWilliams stymied St. Louis on four hits for his first major-league shutout and complete game, and Atlanta scored runs on a sacrifice fly, a balk and a fielder's choice as the Braves beat the Cards, 3-0. McWilliams won his sixth straight game since being called up from Richmond of the International League at the all-star break. Bob Forsch, 9-15, who pitched the first seven innings, lost his ninth straight decision.

Phillies 3, Giants 0

At Philadelphia, Mike Schmidt led off the game with a home run and Steve Carlton scattered 10 hits as Philadelphia snapped a five-game losing streak with a 3-0 victory over San Francisco. The game ended when Marc Hill was thrown out at home attempting to score from first on Johnnie LestMaster's double. The victory extended Philadelphia's lead in the National League East to three games over Chicago and prevented San Francisco from gaining ground on first-place Los Angeles in the West.

A's & Red Sox 4

In the American League, Oakland, designated hitter Rico Carty drove in two runs with his 22nd homer of the season and an infield out as Oakland defeated Boston, 8-4, and snapped a seven-game losing streak.

Royals 3, Rangers 0

At Kansas City, Clint Hurdle hit a two-run homer and Dennis Leonard scattered six hits to give Kansas City a 3-0 victory over Texas. Ferguson Jenkins, 11-8, had held the Royals hitless until Pete LaCock led off the fourth with a single.

White Sox 2, Indians 1

At Cleveland, Ralph Garri singled home Lamar Johnson in a two-run first inning and Francisco Barrios hurled his first complete game since June 16 to lead Chicago to its fourth straight victory, a 2-1 verdict over Cleveland.

Twins 5, Blue Jays 0

At Bloomington, Minn., rookie Gary Serunian hurled his first major-league shutout, a two-hitter, as Minnesota beat Toronto, 5-0.

Tigers 6, Brewers 4

At Milwaukee, Ron LeFlore knocked in the potential winning run during a three-run seventh inning in which Milwaukee committed three errors, as Detroit defeated the Brewers, 6-4.

Angels 4, Orioles 3

At Anaheim, Calif., Rick Miller singled home Dave Chalk with the go-ahead run in the seventh, and California held on to defeat Baltimore, 4-3, and remain in a virtual tie with Kansas City for the lead in the American League West.

Mariners 4, Yankees 1

At Seattle, Jim Colborn tossed a three-hitter and Bruce Bochte homered to lead Seattle to a 4-1 victory over New York. Colborn gave up a homer to Chris Chambliss in the second inning in posting only his fourth victory in 12 decisions.

Rice Hits 30th Home Run

Friday: Torrez Wins 15th As Boston Beats Oakland

OAKLAND, Calif., Aug. 20 (AP) — Jim Rice had four hits, including his 30th homer of the season, and Mike Torrez won his 15th game, leading the Boston Red Sox to a 6-3 victory over Oakland Friday night.

Torrez, who has lost six games, pitched eight innings before being relieved by Dick Drago, who recorded his seventh save.

Rice, who has 101 RBIs, beat out a hit to shortstop to start a three-run eighth inning that snapped a 3-3 tie. Carlton Fisk, who singled to score Rice in the sixth, then doubled for what proved to be the winning run. Jack Brohamer doubled to score Fisk and then scored himself on a single by Dwight Evans.

Starter Steve Renko, who allowed Rice's two-run shot in the first and his leadoff hit in the eighth, lost his eighth game against six victories. Rico Carty's single scored Oakland's first run in the third and a pinch-hit single by Taylor Duncan scored the third run in the seventh that tied the score.

White Sox 7, Indians 1

At Cleveland, a two-run triple by rookie Mike Squires and a two-run homer by Ralph Garri highlighted a four-run first inning that helped Chicago to a 7-1 victory over Cleveland.

Yankees 6, Mariners 1

At Seattle, Graig Nettles drove in three runs and Ed Figueroa hurled a four-hitter to lead New York to its fourth straight victory, a 6-1 decision over Seattle. Figueroa, 12-8, struck out four and walked two en route to his ninth complete game. The loser was Paul Mitchell, 6-12, the first of four Seattle pitchers.

Angels 3, Orioles 2

At Anaheim, Calif., Don Baylor belted a two-out solo home run in the ninth and Chris Knapp pitched a seven-inning, helping California to a 3-2 victory over Baltimore.

Twins 4, Blue Jays 1

At Bloomington, Minn., Glean Adams doubled with one out in the 10th to drive in Hosken Powell with the winning run and give Minnesota a 4-3 victory over Toronto. With one out, Powell singled off reliever Tom Murphy, 4-9. Adams then doubled off the wall in right-center to score Powell. Reliever Jeff Holly, 1-1, pitched four innings, allowing two hits.

Rangers 4, Royals 3

At Kansas City, throwing errors by Pete LaCock and Fred Patek led to four unearned runs, allowing Texas to defeat Kansas City, 4-3. In the first, Mike Hargrove and Jim Sundberg singled and first baseman LaCock threw wildly to second on a grounder, allowing both runners to score. Bobby Bonds opened the fourth with a single and took second when shortstop Patek threw wildly to first. Bonds took third when Richie Zisk reached first on a passed ball by Darrell Porter after Zisk had struck out. John Lowen-

Marsikov Retains Women's Title At Canadian Tennis Championship

TORONTO, Aug. 20 (UPI) — Regina Marsikova won her second consecutive women's title and topped Eddie Dibbs and upset winner Jose Luis Clerc yesterday moved into the men's final at the Canadian Open tennis championship.

Marsikova, 19, ousted Virginia Ruzici, 7-5, 6-7, 6-2 in hot, humid weather. Marsikova used superior strength to push Ruzici back from the baseline, hitting from side to side to tire her out.

Dibbs, the world's fifth-ranked player, came from behind to beat Chris Lewis, 6-4, 3-6, 7-5, and move into today's men's final.

Clerc reached the final by upsetting Brian Gottfried, 5-7, 7-5, 6-4, in the other semifinal.

Marsikova went up 5-3 in the

second set and had two match points before the wiry Romanian dug in and took three straight games. In the tie-breaker, Marsikova had another four match points against the exhausted Ruzici but failed to put it away.

Ruzici threw away the next game on unforced errors and Marsikova caught her second wind and went on to win.

In the first men's semifinal match, Dibbs punished Lewis for his forays to the net with accurate passing shots and maintained the pressure with his own charges. Dibbs fell behind at the beginning of every set, fighting back from a 5-0 deficit in the third to defeat Lewis.

At Montreal, losing pitcher Steve Rogers walked in the tying run and pinch-hitter Gene Tenace drove in the eventual winning run with a sacrifice fly in the seventh, giving San Diego a 3-2 victory over Montreal.

At Anaheim, Calif., Rick Miller singled home Dave Chalk with the go-ahead run in the seventh, and California held on to defeat Baltimore, 4-3, and remain in a virtual tie with Kansas City for the lead in the American League West.

At Seattle, Jim Colborn tossed a three-hitter and Bruce Bochte homered to lead Seattle to a 4-1 victory over New York. Colborn gave up a homer to Chris Chambliss in the second inning in posting only his fourth victory in 12 decisions.

At Milwaukee, Ron LeFlore knocked in the potential winning run during a three-run seventh inning in which Milwaukee committed three errors, as Detroit defeated the Brewers, 6-4.

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Ambrose Gaines, foreground, and Bill Forrester, both of the United States, embrace after Forrester won the 200-meter freestyle at the swimming championships in Berlin. Gaines was second.

Outbursts Linked to Alcohol

Fan Rowdiness Spreads in U.S.

By George Vecsey

NEW YORK, Aug. 20 (NYT) — Baseball helmets are normally worn to protect against a pitcher's fastball, but Richie Zisk and Bobby Bonds of the Texas Rangers recently donned their hard hats to protect themselves from spunk plugs, ice cubes and firecrackers tossed by Chicago White Sox fans.

Baseball has not yet had to resort to Latin American and European soccer teams' practice of using moats and screens to separate athletes from fans, but something akin to that may be needed someday. "I can see the day coming when we'll have to fence off the lower stands to protect the players," said the Chicago manager, Larry Doby.

That might avert incidents like Baltimore fans heaving hot dogs at Reggie Jackson, a San Francisco fan dropping a cherry bomb near George Foster, Yankee fans dumping garbage on relief pitchers coming in from the bullpen and Cincinnati fans pouring beer on Bob Watson after he crashed into the outfield fence.

Fans in Trouble, Too

But moats and fences won't protect the gentler fans from the people in the next row who start fights and use language that used to be too strong for the street. There has even been a state inquiry into rowdiness in Boston's sports arenas.

A look at major league ballparks across the country leads to three general conclusions: that crowds in some places — notably New York's Yankee Stadium and Boston's Fenway Park — are less pleasant than a decade ago, forcing some parents to avoid family outings there; that beer sales are a major factor in poor behavior by fans (but that few clubs attempt to limit beer sales, a source of profit to management); and that the rowdiness notwithstanding, the clubs do not view vandalism as an expensive problem. Teams feel they can cope with vandals by hiring a few extra guards, a small expense compared with gate receipts.

There is little doubt that, at least in some cities, rough behavior in the stands has increased during the last few years. Another marked difference involves the nature of the disturbances. It seems to many baseball people that the old-style flare-up in the stands stemmed from a specific incident on the field, whereas today's fans are likely to have an object as any player, or to disturb one another, for no apparent reason.

"It seeps me deep down inside," said Bill Lee, the Boston pitcher of many opinions. "Sports fans are just a microcosm of society and the way it's changing. People have less patience and want more rewards. It's called future shock."

It is difficult to generalize about all baseball fans in North America, because they tend to differ from one city to another — ranging from highly critical (as in Philadelphia) to passive (Houston).

The unpleasant behavior, according to a consensus of ballplayers, seems to be most prevalent in the older, Eastern baseball cities, with their brutally muggy summers — "where they've had teams for a hundred years," said Joe Sambitto, a New York native who pitches for the Houston Astros.

If fans are less pleasant than in the past, television may have contributed, since it is now possible to

see a lot of baseball without going to the park. The gentler people have the option of staying home, while the rowdier fans, willing to put up with one another, continue to flock to the stadiums.

Although some suburbanites grumble about having to travel to the old neighborhoods, such as those around Tiger Stadium in Detroit and Yankee Stadium in the Bronx, it is generally not the urban poor who are the problems inside the park. At Yankee Stadium a large number of those arrested or ejected come from outlying areas, drinking all the way.

Too Much Alcohol

Ralph Snyder, director of operations for Tiger Stadium, said: "They come to the stadium half cranked-up already. Ninety-five percent of our problems can be attributed to people who come in here and get too much to drink."

Drinking seems to be the main problem in the stands. One of the few forfeits of recent decades occurred in Cleveland a few years ago, when management cut the price of beer one night and fans disrupted the game.

Baseball has had connections with beer since the early professional teams were owned by breweries. Most teams today will not permit fans to bring in alcoholic beverages, partly to keep cans and bottles from being used as missiles but also to sell the sponsor's product — in plastic cups — at captive-audience prices.

Drinking has cut into Boston's reputation as the best place to play or watch a baseball game. The quaint architecture, the knowledgeable college students and the South Boston residents have traditionally made Fenway Park seem like a wondrous haven.

But a rowdier era began in 1973, when the state legislature lowered the drinking age from 21 to 18. Since then, per-capita consumption has risen from 6 to 12 ounces, and the increase has been especially sharp since vendors, in 1975, won the right to hawk beer in the stands, not just at refreshment booths. In 1976 and last year there were so many disturbances and complaints that a limit of two cups a customer was instituted.

Early this year Raymond Flynn, a South Boston Democrat who is a city councilor as well as a state representative, took his children to Fenway.

"I've never experienced those kinds of horrendous situations going on in the stands," he said, and he filed a home-rule petition to prohibit the sale and the consumption of alcohol at professional sports events in Boston.

Several other politicians held hearings on stadium violence, and

U.S. Cyclist Injured In Munich Title Race

MUNICH, Aug. 20 (AP) — Czechoslovakia was declared the winner of the gold medal in men's tandem at the world cycling championships today after the U.S. team was unable to compete in the second heat following a crash blamed on the Czechoslovaks in the first run.

Gerald Ash, 30, of Burbank, Calif., suffered a broken right shoulder when he and teammate Leigh Barczewski were forced off the track when the Czechoslovaks cut in front of them and slammed them into the wooden boards of the velodrome in the first heat.

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Gov. Michael Dukakis formed a commission on violence at sports events.

Most clubs warn that anybody arrested for disturbing a game may be fined (\$50 or \$100) by the local courts, and most are becoming strict. In Arlington, Texas, recently a man unintentionally fell onto the field while trying to catch a foul ball in the box seats, and he was escorted out of the stadium.

Many clubs say vandalism is not a major problem, although all suffer an occasional rampage. David Schaffer, director of park operations at Chicago's Comiskey Park, said: "Last year a kid pulled some of the plumbing apart in a washroom, and that cost a couple of hundred dollars. Kids scratch their names on walls. But it's not widespread. We can have a crowd of 40,000 and not sustain damage."

Yankee Stadium fans seem to get the worst marks from American League players, ever since the old stuffiness of Yankee fans gave way to a "we're No. 1" mentality.

Some National League players say the harshest fans are the crowds in Philadelphia, of whom Bo Belinsky, the playoff pitcher, once said, "They'd boo an Easter-egg hunt."

At Buffalo, N.Y., the AFC champion Denver Broncos turned three Buffalo blunders into first-quarter touchdowns and went on to a 23-13 victory over the Bills before 18,301 rain-soaked fans. Denver lifted its preseason record to 2-1 and Buffalo remained without a victory under new coach Chuck Knox.

At Cincinnati, Lenell Elliott raced 80 yards for a touchdown and rookie David (Deacon) Turner romped 29 yards for another to boost the Cincinnati Bengals to a 27-3 victory over the Chicago Bears — who played without star runner Walter Payton, who skipped the game because of a slight shoulder separation that he sustained last week.

At Green Bay, Wis., Nate Simpson scored on an 8-yard run early in the fourth quarter and the Green Bay Packers held on to beat the St.

At New Orleans, Tampa Bay running back Jimmy DuBose scored on an 8-yard run for the only touchdown needed by the Buccaneers to defeat the New Orleans Saints, 14-3.

At Atlanta, rookie linebacker Greg Marshall scored on a 33-yard interception return to highlight a Philadelphia defensive effort and lead the Eagles to a 24-7 triumph over the Atlanta Falcons.

HARRISON, N.Y., Aug. 20 (UPI) — Helped along by a hole-in-one and a strong dose of positive thinking, blond Alan Tapie shot a 4-under-par 67 yesterday to move into a tie with Gibby Gilbert for the third round lead in the \$300,000 Westchester Classic.

"I'm just trying to believe more in myself," said Tapie, 29, who sank the seventh ace of his life with a 9-iron on the 133-yard sixth hole. "I had reached a plateau in my career where I played a good round, then a bad round."

"At Doral, earlier this year, I said the heck with it. I decided to start believing in my swing and my golf game. I began talking to myself, and the better I played the more confidence I built."

Gilbert, a three-time winner in 11 years, shot a solid 68 to stand alongside Tapie with 54 hole totals of 205, 8 under par, and he commented, "I'm in a real good position. I can't lay back and I can't charge. I just want to beat Old Ghib. If I can beat me, I'll be okay."

Tight Field

The field, however, remained tightly bunched entering the final round, and just a shot behind the co-leaders at 206 was Hubert Green, who turned in his second consecutive 68.

The first nine holes I thought I could run away with it," said Green, who had five birdies going out. "But then I got back into my game and bogeyed three of the next four holes."

Jack Nicklaus struggled to an even-par 71 that included a double bogey on No. 12, but he remains in firm position for a charge at 207. Joining Nicklaus two shots behind the co-leaders are Dave Eichelberger and Grier Jones, both of whom shot 66 yesterday, and Lee Elder, who had his second straight 68.

Tapie, enjoying his best year since joining the tour four years ago, started the round three shots behind leader Ed Sabo. He was not happy with his drive on the first couple of holes, so he made a slight adjustment and wound up with five birdies to go with the ace.

Meet at Berlin

Caulkins Bests Swimming Mark

From Wire Dispatches

BERLIN, Aug. 20 — Tracy Caulkins clipped more than a second off her own world record to clock 2:14.07 and win the gold medal in the 200-meter individual medley at the world swimming championships today.

Joan Pennington clocked 2:14.98, also breaking Caulkins' old mark of 2:15.09 — set only last month — to give the United States the second of three 1-2s.

In the first final today, Bill Forrester set a meet record of 1:51.02 to take the gold in the 200-meters freestyle with Ambrose Gaines taking the silver in 1:51.10.

Robert Jackson raced home in 56.36 in the 100-meters backstroke to win his gold medal, only 33 seconds ahead of teammate Peter Rocca with the famed Soviet Viktor Kuznetsov third in 57.41.

"I had a bad start, but I knew I had the race won at the end of 150 meters," said Caulkins, 15, of Nashville, Tenn.

"When I saw how close Joan was to me, I knew I had been stronger in the freestyle than [Ulrike] Tauber."

Tauber, the East German former world record-holder, was third in 2:15.99.

"I'm so excited. It's just fabulous. I felt we could go one or two but I was not sure," said Pennington.

Forrester said after his race that not everything went according to schedule. "I should have gone a second faster than I did on the first 100 meters," he said. "And I still would have come back as fast. So the second 100 didn't hurt so much."

The U.S. women's 4 x 100-meter medley team edged the East Germans for another gold and wiped more than six seconds off the old championship mark to win in 4:08.21.

West Germany's Walter Kusch won the 100-meters breaststroke ahead of Graham Smith of Canada, world record-holder Gerald Moerk of West Germany.

Nick Nevid of the United States posted fourth ahead of Britain's Duncan Goodhue in fifth place and Shigehiro Takahashi of Japan, sixth. Steve Lundquist, the world 200-meter individual medley record holder, could only manage seventh place with Falk Becker in the eighth spot.

Earlier, Irena Kalinina won the three-meter springboard diving gold medal. Cynthia Potter and Jennifer Chandler finished second and third.

The cool, poised Kalinina, who led after yesterday's elimination rounds, fashioned her victory with artful execution of difficult, high-risk dives during her five optional attempts. She finished with 691.43 points, to 643.22 for Potter and 637.41 for Chandler.

In morning qualifying competition, Caulkins shaved almost three seconds off the meet record for the 200-meter women's medley as U.S.

swimmers captured first place in two of three other individual events and the women's medley relay.

Chandler, a 19-year-old student from Mission Viejo, Calif., led for most of the five required dives but blew her chances with dismal performances on the eighth and 10th dives. Her 10th dive earned her 31.08 points — the worst of the round and her worst in the competition.

Rounding out the other eight finalists were Karin Guecke of East Germany, followed by Beate Roth of East Germany, Janet Nutter of Canada, Valerie McFarlane of Australia and Susanne Wetterskog of Sweden.

Caulkins, the 15-year-old from Nashville, Tenn., who holds the world record in the 200-meter event, won her qualifying heat in a time of 2 minutes, 16.30 seconds, well ahead of the previous meet record of 2:19.80 set during last year's championships by Kathy Heddy of the United States.

The women's diving was the first event to be completed in the 10-day championships, bringing together athletes from 49 countries.

In morning qualifying competition, American swimmers captured first place in three of four individual events and the women's medley relay.

Alexander Fedorovsky of the Soviet Union, fastest man this year in the 100-meter breaststroke, sensationally failed to qualify for the finals in the event today.

The Russian's time of 1:05:60 — more than two seconds below his best mark and almost three outside the world record — left him at ninth position, and the field open for a Canadian or West German victory in the finals.

Graham Smith of Canada, who won gold six medals at the Commonwealth Games last week, led his heat ahead of the world record-holder Gerald Moerk of West Germany. But he was almost a second slower than Moerk's first-placed teammate overall, Walter Kusch.

This morning's heats started in blazing sunshine with the men's 200-meter freestyle. Fifty-three entries made it the most popular event with teams using it as a warm-up for the freestyle relay on Tuesday.

Robert Jackson, of San Jose, Calif., posted 56.95 in the 100-meter backstroke to slice .52 of a second from the old championship mark set by East Germany's Roland Matthes at Belgrade in 1973.

In a heat of the men's 100-meter breaststroke, Walter Kusch of West Germany came home in a meet record of 1:03.72, improving Olympic champion John Hanks's mark by three-tenths of a second.

In the women's 4 x 100-meter medley relay, U.S. quartet was first home in its heat at 4:14.77 to line up a battle in the finals against East Germany which won its heat at 4:15.10.

Campbell Excels as Oilers Beat Dallas

IRVING, Texas, Aug. 20 (UPI) — Heisman trophy-winner Earl Campbell galloped 55 yards for a touchdown and picked up 151 yards overall last night to help lift the Houston Oilers to a 27-13 victory over the Dallas Cowboys.

It was the first NFL exhibition victory this year for the Oilers and the first loss for the Cowboys since last Nov. 20, when they were defeated by Pittsburgh. Since then, Dallas had won four regular season games, three playoff games and two exhibition games.

At New Orleans, Tampa Bay running back Jimmy DuBose scored on an 8-yard run for the only touchdown needed by the Buccaneers to defeat the New Orleans Saints, 14-3.

At Atlanta, rookie linebacker Greg Marshall scored on a 33-yard interception return to highlight a Philadelphia defensive effort and lead the Eagles to a 24-7 triumph over the Atlanta Falcons.

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